Daily Report

Latin America

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FBIS-LAT-96-083 *29 April 1996*

CONTENTS

CARIBBEAN

Cuba

Cuba: 1 Million Expected To March on 1 May in Havana *[Havana Radio]* 1
Cuba: Trial of U.S. 'Terrorist' Group Concludes *[Havana Radio]* 1
Cuba: Pedro Ross Leal on Upcoming 17th CTC Congress *[Havana Radio]* 1
Cuba: Main Topics of Cuban Workers Congress Viewed *[PRENSA LATINA]* 2
Cuba: 6 Commissions Installed at 17th CTC Congress *[Havana Radio]* 3
Cuba: CTC Congress Work Commissions Begin Debates *[PRENSA LATINA]* 3
Cuba: CTC Commission Approves Resolution on Labor Changes *[PRENSA LATINA]* 4
Cuba: CTC Approves Labor Resolution for Youth, Women *[PRENSA LATINA]* 4
Cuba: CTC Approves Draft Resolution on Efficiency *[PRENSA LATINA]* 5
Cuba: CTC Reviews Social, Economic, Political Problems *[Havana TV]* 6
Cuba: CTC Commission Discusses Revolution Defense, Values *[Havana TV]* 6
Cuba: CTC Congress Debates Focus on Salary Increases, Jobs *[PRENSA LATINA]* 6
Cuba: CTC Congress To Examine Central Report *[PRENSA LATINA]* 7
Cuba: CTC Central Report Reviews Salary Increase Policy *[PRENSA LATINA]* 8
Cuba: F. Castro Discusses Harvest Problems at CTC Congress *[Havana Radio]* 9
Cuba: F. Castro Discusses Construction Work *[Havana Radio]* 10
Cuba: F. Castro on Importance of Sugar Industry *[Havana Radio]* 12
Cuba: Torres Presents Achievement Award to Sugar Complex *[Havana Radio]* 14
Cuba: Commentary on 'Fundamental Essence' of PCC Report *[Havana Radio]* 14
Cuba: Sugar Workers in Santiago de Cuba Congratulated *[Havana TV]* 15
Cuba: Sugar Production in Santiago de Cuba *[Havana Radio]* 15
Cuba: Last PCC Report Described as 'Move Backwards' *[Madrid EFE]* 16
Cuba: Slovakia, Cuba Sign Scientific Cooperation Agreement *[Havana TV]* 16
Cuba: Official on Struggle Against Corruption, Crime *[Havana Radio]* 17
Cuba: Politburo Members' Activities Through 25 Apr *[Havana Radio, etc.]* 18

Haiti

Haiti: Preval Promises To Guarantee Food Security *[Port-au-Prince Radio]* 18
Haiti: Preval Visits DGI To Improve Tax Collection *[Port-au-Prince Radio]* 18
Haiti: Cap-Haitiens Demonstrate Against Privatization *[Port-au-Prince Radio]* 19
Haiti: Reaction to Increase of Fiscal Receipts Positive *[Port-au-Prince Radio]* 19
Haiti: Conflict on Privatization Reported in Lavalas Camp *[Port-au-Prince Radio]* 20
Haiti: Public Institutions in the Red *[LE NOUVELLISTE 10 Apr]* 21

MEXICO

Mexico: Government Pleased With U.S. Lift of Tuna Embargo *[Mexico City Radio]* 22
Mexico: Zedillo on Migrant Workers' Human, Labor Rights *[Mexico City Radio]* 22
Mexico: Transport Heads Announce 3-Day Strike From 29 Apr *[Mexico City Radio]* 23
Mexico: Government, Banks, Business Agree on 'Rescue Plan' *[EL FINANCIERO 22 Apr]* 23

Mexico: Science Program Outlines Objectives *[LA JORNADA 22 Apr]* 24

CENTRAL AMERICA

El Salvador

El Salvador: Commissioner Reviews Peace Agreements *[EL DIARIO DE HOY 22 Apr]* 27

Guatemala

Guatemala: Renewing Ties With Cuba Said Not Priority *[PRENSA LIBRE 23 Apr]* 28
Guatemala: Possible Authorization of Opening Cuban Mission *[LA REPUBLICA 23 Apr]* 28
Guatemala: Human Rights Board on Administration Violations *[PRENSA LIBRE 24 Apr]* 29
Guatemala: Congress Rejects Possible State of Emergency *[LA REPUBLICA 25 Apr]* 29
Guatemala: Poll Gives Arzu Rating of 4 on Scale of 10 *[LA REPUBLICA 23 Apr]* 30

Panama

Panama: President Says Bases 'Obsolete,' 'Unacceptable' *[LA PRENSA 27 Apr]* 31
Panama: Envoy Views Comments by U.S. Official Gelbard *[LA PRENSA 24 Apr]* 31
Panama: Foreign Ministry Denies Minister's Resignation *[EL UNIVERSAL DE PANAMA 26 Apr]* 33
Panama: Foreign Ministry Reports on Galindo's Health *[Panama City TV]* 33
Panama: Colon Free Zone Users To Strike on 29 Apr *[Panama City TV]* 33
Panama: Colon Free Zone Leadership Deplores Users' Strike *[Panama City TV]* 33
Panama: Taiwanese Firm Head Announces Port Construction *[LA PRENSA 26 Apr]* 34
Panama: Survey Reveals Opposition to Amnesty Bill Proposal *[LA PRENSA 21 Apr]* 34

SOUTH AMERICA

Argentina

Argentina: Israel's Peres Thanks Menem for Peace Efforts *[TELAM]* 36
Argentina: Communique Lauds Israeli, Palestinian Stances *[TELAM]* 36
Argentina: Menem Views Integration Prospects With Chile *[TELAM]* 36
Argentina: Chile's Frei Views 'Possible' Mercosur Entry *[NOTICIAS ARGENTINAS]* 37
Argentina: Menem, Chile's Frei Sign Joint Declaration *[NOTICIAS ARGENTINAS]* 37
Argentina: Declaration With Chile Emphasizes Integration *[TELAM]* 38
Argentina: Menem-Frei Declaration on Bilateral Ties Issued *[NOTICIAS ARGENTINAS]* 39
Argentina: Chile's Frei Downplays Pinochet's Retirement *[TELAM]* 39
Argentina: Chile's Frei Views Agreements, Ends Visit *[TELAM]* 40
Argentina: Di Tella Sees 'New Dynamics' in Ties With Chile *[TELAM]* 40

Brazil

Brazil: Dornelles Appointed Industry, Commerce Minister *[Brasilia Radio]* 41
Brazil: Businessmen 'Not Pleased' With Appointment *[AGENCIA ESTADO]* 41
Brazil: Mercosur 'Political Pact' Role Seen in Paraguay *[O GLOBO 24 Apr]* 41
Brazil: Cardoso Praises U.S. Role in Mideast Cease-Fire *[AGENCIA ESTADO]* 42
Brazil: 'Indiscriminate' Israeli Attacks Criticized *[Brasilia Radio]* 42
Brazil: Roundup of Economic Reports Through 26 Apr *[O ESTADO DE SAO PAULO 21 Apr]* 42

Colombia

Colombia: Supreme Court Urges Attorney General Suspension *[Santa Fe de Bogota Radio]* .. 44
Colombia: Senate Head on Move To Suspend Attorney General *[Santa Fe de Bogota Radio]* 44

Colombia: Samper Views Request for Attorney's Resignation *[Santa Fe de Bogota Radio]* 45
Colombia: Vice President States Position on Crisis *[EL TIEMPO 27 Apr]* 46
Colombia: VP Says Solution Must Be Constitutional *[Santa Fe de Bogota TV]* 47
Colombia: Leading Businessmen To Urge Samper To Resign *[Madrid EFE]* 47
Colombia: 3 Bombs Explode in Medellin on 24 Apr *[EL TIEMPO 26 Apr]* 47
Colombia: FARC Raid Kills 4 Policemen in Caqueta *[Santa Fe de Bogota Radio]* 48
Colombia: Grenade Attack Kills 1 in Town of Apartado *[Madrid EFE]* 48
Colombia: Traffickers' Documents Confiscated as Evidence *[EL TIEMPO 26 Apr]* 48
Colombia: Alleged Trafficker Arrested in Antidrug Move *[Madrid EFE]* 49
Colombia: Alleged Trafficker on Persecution by Authorities *[Santa Fe de Bogota Radio]* 49

Paraguay

Paraguay: 'Sources': Finance Minister Submits Resignation *[ABC COLOR 27 Apr]* 50
Paraguay: Facetti Appointed as New Finance Minister *[Asuncion Radio]* 50
Paraguay: Factions Vying for Colorado Leadership Viewed *[Asuncion TV]* 50
Paraguay: Police Head on Fundamentalist Groups' Presence *[ABC COLOR 27 Apr]* 51
Paraguay: Exit Poll Gives Argana 51.8 Percent of Vote *[Asuncion Radio]* 51
Paraguay: Unofficial Electoral Results Show Argana Ahead *[Lambare Radio]* 51
Paraguay: Party Elections Developing Without Incident *[Asuncion TV]* 51
Paraguay: Elections Proceeding Normally Near Closing Time *[Asuncion TV]* 52
Paraguay: Poll Shows Argana Winning With 53 Percent *[Lambare Radio]* 52
Paraguay: 'Latest' Vote Count Shows Argana Leading *[Asuncion Radio]* 52
Paraguay: Outcome of Institutional Crisis Assessed *[ULTIMA HORA 26 Apr]* 53
Paraguay: Wasmosy Said To Avoid Bloodshed at All Costs *[NOTICIAS 26 Apr]* 53
Paraguay: Wasmosy Asks Military To End 'Coupist Mentality' *[NOTICIAS 26 Apr]* 54
Paraguay: Reaction to Presidential Message Viewed *[NOTICIAS 26 Apr]* 55
Paraguay: Wasmosy Explains Mediation, Talks During Crisis *[Asuncion TV]* 55
Paraguay: Criminal Judge To Investigate Oviedo's Actions *[Asuncion TV]* 56
Paraguay: PLRA's Laino Rebuts Criticism of Role in Crisis *[Asuncion TV]* 56
Paraguay: Presence of Hizballah Suicide Figures Reported *[Lambare Radio]* 57

Peru

Peru: Tudela Rules Out Concessions to Ecuador *[NOTICIAS ARGENTINAS]* 57
Peru: Arms Agreement With Ecuador Questioned *[LA REPUBLICA 23 Apr]* 57

Venezuela

Venezuela: columbian Consul Kidnapped, Released *[NOTIMEX]* 59
Venezuela: Colombia Urged To Combat Crime Along Border *[Caracas TV]* 59
Venezuela: Military 'Capable' of Defending Sovereignty *[EL NACIONAL 26 Apr]* 60

Cuba

Cuba: 1 Million Expected To March on 1 May in Havana

PA2904144096 Havana Radio Havana Cuba in Spanish 1300 GMt 29 Apr 96

[From the "Morning Information Review" newscast]

[FBIS Translated Text] On 1 May, International Workers' Day, about 1 million capital city residents will join the large demonstration that will participate in a march at the Jose Marti Revolution Plaza as a commitment to the fatherland to demand the end of U.S. maneuvers to suffocate the Cuban Revolution and its attempt to undermine the Cuban people's resistance. Top leaders from state, government, political, and social organizations will march in the very first groups along with leading national organizations, such as Radio Havana Cuba, which is currently celebrating its 35th anniversary.

Cuba will dedicate this 1 May celebration to the new generations. Therefore, approximately 50,000 young people carrying Cuban flags will wind up this march. Of these, 20,000 will be workers, while the remaining will be students of various educational levels. During this event, the Union of Young Communists will call for the celebration of the World's Festival for Youth and Students on 1 August 1997.

Cuba: Trial of U.S. 'Terrorist' Group Concludes

PA2604154396 Havana Radio Havana Cuba in Spanish 1300 GMT 26 Apr 96

[From the "Morning Information Review" newscast]

[FBIS Translated Text] Members of a terrorist commando unit that left Miami on 15 October 1994 and that infiltrated central Cuba and murdered a youth have been tried and found guilty.

Capital punishment, which would be carried out by a firing squad, was sought for the individual who killed the fisherman, while 30 years imprisonment was sought for the accomplices.

The national Cuban television newscast announced that members of the terrorist commando unit had in their possession plenty of weapons and ammunition, as well as subversive material, when they were captured. According to the source, their mission was to train guerrillas and carry out sabotage operations on military and economic targets in Cuba.

In statements they made, the accused admitted that during the year and a half that they have been imprisoned in Cuba, they were treated with respect and were given medical attention when needed.

The president of the provincial tribunal of Villa Clara Province stated that even though the trial has concluded, the defendents await sentencing. This will be reported in the next few days, and the defendents may appeal before the Supreme People's Tribunal.

Cuba: Pedro Ross Leal on Upcoming 17th CTC Congress

PA2704020196 Havana Radio Rebelde Network in Spanish 1155 GMT 25 Apr 96

[Report by Demetrio Villaurrutia; from the "Doing Radio" program]

[FBIS Translated Text] Comrade Pedro Ross, secretary general of the Cuban Workers Federation, CTC, held a news conference with national and foreign media correspondents accredited in the capital to talk about preparations for the CTC Congress, which will begin on Saturday, 27 April, with the installation of the six commissions in different parts of the capital.

Precisely, one of the aspects discussed by the CTC secretary general was the preparation for this congress. He also talked about some of the points, which according to the labor leader, should be the most debated topics during this congress. He spoke about the topics of jobs and salaries, which will surely capture the attention of the approximately 1,900 delegates, who will participate. Pedro Ross told members of the foreign media that this congress will be preceded by a lengthy process of debates at the rank-and-file level with the country's labor groups. Several assemblies had been held to discuss the economic problems and the labor parliaments.

The full session will begin on Sunday, 28 April, and will last until 30 April. This is what Pedro Ross said:

[Begin Ross recording] Our congress and the way we are holding it is not meant to gather delegates and discuss the problems there. The problems are debated with the workers. What we are going to do in the final part of the congress is to make a summary of the debates, we are going to discuss the proposals of the workers, how we are going to focus and keep in mind the proposals made by the workers throughout the year. This year we held two cycles of assemblies. Each assembly included nearly 3 million workers. We later held discussions about the 17th Congress. It has been a rich discussion with a participation of nearly 89 percent of workers. These assemblies lasted an average of four and a half hours. Workers actively participated. There have been thousands of opinions expressed in these assemblies. [end recording]

Those were the words of Pedro Ross before domestic and foreign correspondents accredited in Cuba.

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[Havana Radio Havana Cuba at 1300 GMT on 25 April carries a two-minute report saying that according to Pedro Ross, secretary general of the CTC, the relocation of 100,000 Cuban workers will be one of the most controversial topics at the CTC Congress, which will begin in Havana on Saturday, 27 April.

In a news conference held in the Cuban capital, Ross said that 60 percent of the surplus labor force can definitely be relocated, 20 percent of workers hold temporary jobs in new positions, and another 20 percent remain idle with a state subsidy, the equivalent of over half of their salary.

Pedro Ross talked about a 7-percent unemployment rate in the island, but said that there are thousands of available jobs in the various sectors such as the health, agriculture, and construction sectors.

The labor leader said this phenomenon holds a direct relationship with geographic and demographic conditions. During his meeting with the national and foreign media, Pedro Ross talked about the importance of private work or self-employment as a new job source and commented on the possible unionization of these workers.]

Cuba: Main Topics of Cuban Workers Congress Viewed

PA2604173296 Havana PRENSA LATINA in Spanish 1906 GMT 25 Apr 96

["Exclusive" article by Viviana Guillen: "Unions: The Challenge of Looking Within Themselves"]

[FBIS Translated Text] Defying an end of a century marked by an economic crisis and increasing harassment from the United States, Cuban workers are making plans for labor reorganization, productive efficiency, unity, and the defense of socialism.

These issues, along with those of salaries, social security, and collective contracts (union-management labor agreements), constitute the main topics of the XVII Cuban Workers Federation (CTC) Congress that will be held in Havana from 27 to 30 April.

Because the workers meeting was summoned a year ago, the reduction in the work force, which is an absolute need stemming from five years of the special period (the name of the current program to deal with the economic crisis) and which is characterized by the closing of certain companies and a noticeable reduction in productive capacity, is one of the most debated issues by labor unions.

According to CTC Secretary General Pedro Ross, the reduction in work force is a highly delicate issue, and the union movement must ensure it is correctly implemented, without abuse.

In an interview granted to PRENSA LATINA, the workers' leader has said the CTC has worked with the government in not implementing shock policies in the country and embarking on a staggered process with a view to creating new sources of jobs and relocating the surplus work force to useful jobs.

The union meeting, which will take place at the Havana Conventions Palace, will analyze the wage policies of the Caribbean state, where the workers' average monthly income fluctuates between 185 and 200 pesos (the same amount in dollars, according to the official exchange rate).

Addressing the issue, Ross has said that taking into account the country's current financial reorganization, "we cannot propose a widespread wage hike, but there are possibilities of increasing the income of some workers in various sectors based on certain results."

"This is being done at the Basic Agricultural Production Units (agricultural organizations) and the basic, steel, and iron mechanics [sideromecanica] industries, among others, which have raw materials and markets and manufacture exportable goods," he added.

Ross has insisted that the only way to obtain an additional income is to produce more with the same means and the same resources. All the policies being implemented are geared toward making the ones who contribute more receive more.

The CTC's role in preserving the social security guarantees will be addressed both at this weekend's plenary sessions and the working sessions by the six commissions that will analyze the main points of the agenda.

There are 1.25 million retirees and pension holders in Cuba. The country invests numerous resources for these people, and we need to make contributions to the social security funds so we will not lose these benefits, he has said.

It is an issue that the unions have already discussed but that still needs to be implemented, the CTC leader said prior to saying that both the CTC and unions must be alert to ensure that social security will protect those who really need to be protected, because "no one must take advantage of the magnanimity of the socialist state."

Approximately 19,000 Cubans have retired on complete disability in the last five years. More than 90 percent of these people are between 40 and 50, and 30 percent of them used to work in the capital of this Antillean country.

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The increase in the number of retired people on complete disability concerns the Public Health and Labor and Social Security Ministries, which are immersed in rigorous studies on the causes of this phenomenon.

Meanwhile, the CTC believes it is up to the unionists, according to its secretary general's statements, to demand the rational use of a social protection that is "fair and broad and offers many possibilities to workers when they cannot manage by themselves or when it is time for them to retire."

The likely unionization of self-employed (private) workers, who were recently incorporated into the economic spectrum of the Cuba of 1996, is another problem the XVII CTC Congress will discuss.

Ross has said that in response to a petition by self-employed workers and respecting "particular and specific issues, we must organize this force slowly."

If the Congress supports the idea of unionizing them, the workers leader has said, "we will have to start experiencing this. Practice will tell us what path to take. There are no preconceived notions or precedents of this nature in our country."

Some 1,900 delegates from the 14 Cuban provinces and the special municipality of the Isle of Youth will attend this grand workers forum, in which food production, the treatment of women and juveniles involved in production activities, and valid strategies to defend the revolution also will be discussed.

International solidarity and the fight against the U.S. blockade on the island (which has lasted more than three decades) are other issues included on the agenda of the CTC Congress, in which more than 1,000 foreign guests affiliated with 124 unions in 46 countries will participate.

Union members from around the world will join Cuban workers and people in general to march by Havana's Revolution Square on 1 May, following four days of discussions among men who are not afraid to look within themselves in these difficult times.

Cuba: 6 Commissions Installed at 17th CTC Congress

PA2704172996 Havana Radio Rebelde Network in Spanish 1404 GMT 27 Apr 96

[FBIS Translated Text] The 17th CTC [Cuban Workers Federation] Congress began this morning at 0900 with the installation of the six working commissions. These commissions will be holding sessions at the Havana Conventions Palace, the Institute of Military Technology [ITM], the Genetic Engineering and Biotechnology Center, and the Jose Antonio Echeverria Higher Polytechnical Institute.

Telva Alvarez reports.

[Alvarez] Good morning from the fifth commission of the 17th CTC Workers Congress, which is meeting at the ITM and debating the topic of defending the revolution and its achievements and values.

Close to 336 delegates are attending the congress. The opening session is being headed by Politburo members Jose Ramon Balaguer, Maria de los Angeles Garcia, Division General Ulises Rosales del Toro, Abel Prieto, president of the union of writers and artists, CTC Secretary General Pedro Ross Leal, and parliament President Ricardo Alarcon de Quesada.

It was stated here that the defense of the revolution is the essence of the Congress and the fifth commission, based on the report by the fifth plenum of the Central Committee, which Army General Raul Castro presented with the objective of seeking solutions to our problems, analyzing what each of us must do, and using our arguments in defending our ideals and achievements.

There also was a proposal for three major blocks of debate that include military solutions to the National Defense Law and the contribution to the MTT [Territorial Troops Militia]. A second block includes actions by workers to confront economic crime and to foster the rejection of corruption. The third block includes the political-ideological preparation of the union movement on patriotic, military, and international education, the job of the media and its significance in ideological preparation, which is a precept we must defend, the role of intellectuals and artists, and human solidarity among the workers.

Speeches have already been made about patriotic education [words indistinct] of teachers, due to their influence on the young generations, and the workers' position on their contribution to the MTT when there is adequate political preparation.

Cuba: CTC Congress Work Commissions Begin Debates

PA2704212796 Havana PRENSA LATINA in Spanish 1729 GMT 27 Apr 96

[FBIS Translated Text] Havana, 27 Apr (PL) — Two draft resolutions related to international solidarity and condemnation of the U.S. blockade against Cuba are ready to be presented tomorrow before the plenary session of the 17th Cuban Workers Federation Congress that opened here today.

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This morning, the Sixth Commission, which is responsible for international issues, gave its approval to the documents, both of which are part of a list of 14 other draft resolutions that should emerge from the Cuban Workers Federation (CTC) forum.

Five other work groups also began their respective debates today, including the commission responsible for discussing the sensitive issues of employment and wages where it is anticipated that a resolution will also be submitted for the General Assembly's consideration.

Initially, the commission members will be discussing appropriate formulas to be used in allocating the labor force in Cuba, which has been embattled in a severe economic crisis over the past few years prompted by the collapse of the European socialist block and the toughening of the U.S. blockade against the Cuban revolution.

Likewise, issues related to science, technology, defense and the consolidation of mechanisms created to encourage food production are also included among the subjects to be analyzed by the various commissions. Tomorrow, the 17th CTC Congress will carry out its first plenary session at the Havana Convention Palace where, according to the program, all activities will be taking place until this coming Tuesday. Nearly 1,900 delegates from throughout the country are taking part in the congress, and more than 1,000 guests representing unions from 50 countries have also been invited.

Cuba: CTC Commission Approves Resolution on Labor Changes

PA2704223996 Havana PRENSA LATINA in Spanish 2020 GMT 27 Apr 96

[FBIS Translated Text] Havana, 27 Apr (PL) — One of the working groups of the 17th Congress of the Cuban Workers Federation (CTC) today approved the active participation of labor unions in the labor changes taking place in the country.

The Third Commission, tasked with discussing employment and labor and salary relations, voted in favor of the document, which favors the presence of labor unions in the aforementioned process "in order to oversee the fair relocation and reclassification of laid-off personnel."

The approved resolution, which the Congress plenum will discuss beginning tomorrow, states that the CTC will monitor the situation of these laid-off workers, pending their relocation. The CTC will adopt the necessary measures so that the rights of these workers will not be violated.

In addition, it will promote the rapid normalization of their situation and will support, together with agencies and organizations, the creation of new positions; positions that are viably, economically, and socially useful.

The Commission heard a report on the experiences of the drawdown within the Revolutionary Armed Forces (FAR), especially in regard to civilian workers, the first result of which was the layoff of 21,182 people.

By analyzing each case and with the growth of production and services within the FAR, such as the agricultural sector and the construction and maintenance of housing, 19,450 of these workers have already been relocated.

Most of the other laid-off workers are holding temporary jobs and a little over 600 have remained at home, drawing a salary in accordance with their particular situation, be it health or otherwise.

Another report, this time from the Light Industry Ministry, said that the relocation of its laid-off workers was made through inter-businesses coordination, and stressed that those who have been affected by a measure of this kind need to feel useful.

The Commission sessions were attended by Vilma Espin, president of the Cuban Women's Federation, Salvador Valdes and Carlos Dotres, ministers of labor and social security and public health, respectively, as well as Attorney General Juan Escalona and Supreme People's Tribunal President Jose Raul Amaro Salup.

Cuba: CTC Approves Labor Resolution for Youth, Women

PA2804011396 Havana PRENSA LATINA in Spanish 2300 GMT 27 Apr 96

[FBIS Translated Text] Havana, 27 Apr (PL) — Bills for the care of young people and women of a working age, and the characteristics of labor contracts, were approved today by a commission in the 17th Congress of the Cuban Workers Federation (CTC).

During its afternoon session, the third commission emphasized the labor movement's responsibility to young people and its effort to provide placement in various sectors of the economy.

The document, approved by the participants, says that "young people have once again proven their spirit of sacrifice and total dedication to the revolution by tackling the major tasks."

In self-criticism, the document says that the labor movement has not always handled the work with the younger generation in an efficient and systematic manner; and it requests that the ideological preparation for this part of the working class be stepped up.

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When participating in the session, Maria Victoria Velasquez, first secretary of the Union of Young Communists, advocated close ties between labor groups and young people who are enrolled in agricultural schools, involved in voluntary work, or professional practice.

She recalled that two-thirds of those who currently work in Cuba are young people who will be ready for retirement by 2010.

Therefore, those who have more experience must prepare, form, and transmit their experiences to the new workers, she concluded.

In the case of women, the commission stated that the labor movement will continue to exert its influence to eradicate any form of discrimination and to maintain adequate attention to the process for the reorganization of the feminine work force.

Finally, it was recognized that the inclusion of women in the country's development process must be evaluated as one of the most successful social phenomenons that has occurred in Cuba within the last 30 years.

The bill on labor contracts states that their negotiation and control must represent the labor union's essence as a way to channel the workers' initiative to improve economic efficiency and meet their overall needs.

Likewise, it defends the overall training of labor leaders in the preparation and management of contracts. It also generates a control process that defines failures to comply, their causes, and the measures to eliminate them.

Cuba: CTC Approves Draft Resolution on Efficiency

PA2804021396 Havana PRENSA LATINA in Spanish 2345 GMT 27 Apr 96

[FBIS Translated Text] Havana, 27 Apr (PL) Cuban labor leaders today put the finishing touches on a draft resolution on productive efficiency to promote the incipient economic recovery of the country, with a view to approving the draft resolution in the coming sessions of the 17th Workers' Congress.

The Second Commission on Economic Efficiency concluded that the focus on man, technological maintenance, the saving of resources, and the reduction of costs must constitute the fundamental concern of the Cuban Workers Federation (CTC) and its rank-and-file organizations.

The draft resolution, analyzed by about 350 of the 1,900 delegates at the workers' meeting, called on the CTC and labor unions to request the elimination of subsidies for losses as part of the struggle to make the state-owned socialist enterprise more efficient and competitive.

According to the document, it is the responsibility of labor unions and their members to achieve high quality productions that progressively meet national demand and increase their participation in the foreign market.

Representatives from different organizations of the basic, light industry, and agriculture sectors, among others, as well as from joint ventures, state-owned, and private (foreign capital) enterprises, mentioned examples of competitiveness, entrepreneurial profitability, and imports substitution.

CTC Secretary General Pedro Ross proposed to the delegates gathered at the Genetics and Biotechnology Engineering Center, that they request that the government legally prohibit the import of required items that can be obtained locally, which national entities are capable of producing with quality.

Meanwhile, Minister of Economy and Planning Jose Luis Rodriguez urged grass-roots level labor leaders to become interested in production indicators (such as cost per weight) to be able to work seriously to improve efficiency.

Rodriguez insisted on the need for labor groups to mobilize workers, oversee labor discipline, and work toward better management organization and planning to avoid wasting time and resources.

In this regard, the text of the draft resolution calls for the collective discussion of the economic plan and states that "the labor unions will demand from the Labor Center Directorate a rigorous control over material resources, as well as quickness in solving problems that adversely affect efficiency."

The draft project that was discussed, which will be submitted to the plenum that will meet beginning on Sunday at the Palace of Conventions, supports the foreign investment policy that is in effect in the country as a mechanism to access capital, technology, and market, which we are lacking on the island, because of the U.S. blockade.

The Commission also drafted two other draft resolutions pertaining to science, technology, and training of workers, and the socialist emulation as a "weapon to create more wealth."

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Cuba: CTC Reviews Social, Economic, Political Problems

PA2804032696 Havana Tele Rebelde and Cubavision Networks in Spanish 0000 GMT 28 Apr 96

[From the "NTV" newscast]

[FBIS Translated Excerpt] Our country's workers, represented by approximately 2,000 delegates, began to analyze today the most important economic, social, and political issues being faced by the proletariat. Six commissions held sessions today in various points of the capital.

The 17th Congress of the CTC [Cuban Workers Federation] began today with the analysis of topics that the labor movement considers most urgent. The implementation of measures carried out by the country in recent years and the pledge toward socialism mark the debates of the six commissions, which held sessions today in various parts of the capital.

For example, the fourth commission's session at the Jose Antonio Echeverria Higher Polytechnic Institute concentrated on the issue of the UBPC's [Basic Cooperative Production Units]. The first topic led to arguments. The delegates who took the floor agreed on the need to review the prices that the state currently pays for sugarcane and equipment rental because all of this affects the UBPCs' financial situation. [passage omitted]

Alternate solutions to the lack of manpower, the importance of guaranteeing rehabilitation work, crop care, and the production of food for local consumption were also discussed by the commission.

It is appropriate to recall that the UBPCs were created in the country's worst economic times and today, approximately 280,000 UBPC members are responsible for the management of the country's leading economic resources. [passage omitted]

Moreover, the fourth commission members defended the role played by labor unions in the perfection of the UBPCs and, consequently, in management and production tasks for the nation's present and future.

Cuba: CTC Commission Discusses Revolution Defense, Values

PA2804034296 Havana Tele Rebelde and Cubavision Networks in Spanish 0000 GMT 28 Apr 96

[From the "NTV" newscast]

[FBIS Translated Text] We now present a report on the meeting of the Fifth Commission of the Cuban Workers Federation [CTC], which met at the Technical-Military Institute. This commission discussed the defense of the revolution, its accomplishments, and values.

In the morning session, the discussion focused on how to impart more effectively the concepts of our ideology to new generations, especially the role of educators in establishing ethical values and military-patriotic education.

Delegates reflected on how to better prepare, from the military standpoint, workers for the War of All the People, which means perfecting training and planning. The members of this commission proposed to present to the plenum that the of Day of Rewarding [dia de haber], a contribution made by workers to the MTT [Territorial Troops Militia] to day of the fatherland, be renamed.

The influence of culture and the defense of our identity prompted a broad and profound discussion.

[Begin unidentified delegate recording] I believe that the idea to compare the concept of quality of life with consumption is what they... [pauses] They want to invade us with this type of concept. They want this concept to reproduce in this country. They want this concept to gain supporters in this country. The want the mirage of consumption to gain supporters. As you know, we must view the concept of quality of life — qualitatively better in a spiritual, cultural, and educational sense. [end recording]

In this commission, comprised of more than 300 people, delegates talked about improving ties between blue-collar and white-collar workers. Commission members also insisted on the need to use more audiovisual means to support ideological discussion, as well as to encourage children's literature.

Commission members also demanded that we defend the cultural values and the accomplishments of the revolution achieved in the past 37 years more vehemently. Tomorrow, the six commissions will hold a plenary meeting at the Palace of Conventions, and the draft resolutions approved today will be submitted for the approval of the 1,900 delegates.

Cuba: CTC Congress Debates Focus on Salary Increases, Jobs

PA2804225396 Havana PRENSA LATINA in Spanish 0951 GMT 28 Apr 96

[By Elsy Fors]

[FBIS Translated Text] Havana, 28 Apr (PL) — Today's debates of the 17th Congress of the Cuban Workers Federation (CTC) centered on the labor and salary policy, which constitutes the most burning aspect of our national reality, characterized by a severe economic adjustment.

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The topic occupies the central pages of the labor meeting's central report, which summarizes the period of recession at the productive and service levels, the devaluation of our national currency, and an increase in excess liquidity, as well as in the budget deficit, between 1991 and 1994.

Beginning In 1994, the economy started to show signs of a slow recovery — 0.7 percent in 1994 and 2.5 percent in 1995 — even though the growth rate is in general terms and is not reflected in the majority of the homes of the 11 million Cubans.

The urgency of rapidly increasing strategic production and the growing presence of foreign investment, however, prompted the government to link salaries to the final results of the work done in the oil, nickel, sugar, electricity, fishing, transportation, and tourism industries, among others.

An improvement in the organization of the work done in state and cooperative farms and in military enterprises led to an increase in farm yields, especially tubers and vegetables, increases that have become more visible in farmers markets, which usually sell at higher prices, than in the rationed, low-priced distribution.

Between 1990 and 1995, the various formulas applied to increase salaries have benefited more than 200,000 persons, according to official figures, while more than 205,000 opted for self-employment in a variety of 160 trades and occupations.

Projections from the labor union itself estimate that the number of private workers could reach 600,000, the equivalent of 13 percent of the 4.6 million persons who comprise the economically active population of the Caribbean nation.

The CTC is aware of that reality and is getting ready to come into closer contact with the growing nongovernmental sector of the economy.

In the draft resolution on employment, salaries, incentives, and labor relations, the CTC intends to increase its presence in economic associations with foreign capital and to seek ways to get workers who contribute the most to earn more.

The draft resolution states that all of this can be achieved without increasing current salary levels, which would generate inflation.

The draft resolution recommends studying the necessary labor code reforms to adapt them to the new economic and social conditions of the country.

In the necessary struggle against theft and other crimes, the CTC firmly commits its support to the application of stricter measures against those who steal, divert funds or assets from institutions or persons, as well as against those who seriously and adversely affect the rhythm of production and services.

Another concern of the labor union is that the road toward a more efficient economy leads to a reduction of jobs and subsequent unemployment, which according to estimates, will affect 7 percent of the labor force.

In this regard, the CTC demands an active participation in labor reorganization and demands the fulfillment of the principle that no worker should be left unprotected, meaning facilitating his relocation or by making it possible for him to perform another job.

Strengthening the commitment of the socialist system to full employment and to the requirements of an efficient economy is the biggest challenge that the Cuban labor union organizations will face in the next few years.

Cuba: CTC Congress To Examine Central Report

PA2804202296 Havana PRENSA LATINA in Spanish 1001 GMT 28 Apr 96

[By Susana Ugarte: "Unity and Diversity Set the Stage of the Labor Congress"]

[FBIS Translated Text] Havana, 28 Apr (PL) — The closing of ranks behind the socialist project prevailing here and the opening to economic diversity to lead the country forward stand out as key points of the 17th Cuban Workers Federation (CTC) Congress that began yesterday.

With the Havana Conventions Palace as its headquarters, the CTC Congress today will examine the central report in a discussion to be held in a plenary session, slated to last until 30 April.

In the first day of the CTC forum, six commissions gave green light to 14 draft resolutions that endorse the giving of precedence to the defense of the revolution and the nation and the workers' support for current economic reforms.

In a tacit reference to the so-called Helms-Burton law, the document drafted on the first of these topics states that the enemies of the revolutionary process are relentless in their goal of destroying the revolution's work in order to turn the island into a new, neo-colonial satellite and make it succumb amid a flood of blood, abject poverty, hunger, and abandonment.

Speaking to the fifth commission, which is tasked with discussing this first issue, Ricardo Alarcon, president of the National Assembly of the People's Government, said it is imperative to preserve the nation, its sove - eignty and independence, as well as the socialist conquests. This work group also approved several bills of

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documents that approve, respectively, the solidarity of the Cuban workers with the international labor movement and its repudiation of the U.S. blockade on Cuba.

A chapter that will also receive priority status in this congress is the one on the downsizing of the labor force and labor and salary relations, part of the program underway to redesign the economy. According to a decision by the third commission, the CTC has proposed to support the development of this process "without traumatic moves or neo-liberal shock policies."

The CTC also will discuss another proposal designed to seek efficiency and competitiveness in the socialist state enterprise. With this purpose, the CTC has advocated support for foreign investment as a means to access capital and technologies, the struggle against corruption and crime, and the application of scientific-technical advances in production and the emulative means to promote it.

The food program and the new structure of the agricultural cooperatives, which have become basic cooperative production units, as well as the situation of women and young workers also are part of the topics on the agenda of this forum, which 1,900 local delegates are attending.

More than 1,000 guests, members of 124 union organizations from approximately 50 countries are attending the congress; these attendees are using this opportunity to obtain firsthand information on the situation of the island, which is experiencing an economic crisis in the wake of the collapse of the European socialist bloc and the immediate intensification of the U.S. blockade.

According to official predictions, the country's GNP might experience a 5-percent growth this year, twice the figure reached in 1995, when the GNP registered an incipient recovery that authorities have considered modest.

The fulfillment of the planned goal for the sugar harvest of 4.5 million metric tons is expected, and the tourism industry is registering results deemed as significant.

Cuba: CTC Central Report Reviews Salary Increase Policy

PA2804225196 Havana PRENSA LATINA in Spanish 1507 GMT 28 Apr 96

[FBIS Translated Text] Havana, 28 Apr (PL) — According to the central report of the 17th Congress of the Cuban Workers Federation (CTC), future salary increases in Cuba are contingent upon the economic and productive results and receive the support of the unions.

The document, presented to the CTC plenum today, says that the labor organizations should continue to support the introduction of this type of salary system in all those organizations that already meet the conditions.

The document points out that it is important to continue to rescue the purchasing power of the peso and its capacity to circulatwe [capacidad movilizativa] via the achievement of greater levels of production and services resulting from an increased labor effort.

After discussing the perfection of the current system of evaluating technical workers and giving them wage incentives, the report points out that in sectors such as tourism, oil, nickel, and organizations linked to foreign capital, the mobile salary [salariao movil] was established based on the effecitve fulfillment of planned tasks.

However, it criticizes the fact that the subjective input of the supervisors and the superficial nature of the evaluation of final results continue to play a pivotal role in all these circumstances.

As noticeable results of the implementation of the previously mentioned formulas, the report also includes the Basic Cooperative Production Units (UBPC), as well as the decentralization of the use of the salary fund in the country's 156 sugar agroindustrial complexes and the citrus fruits complexes.

In addition, it mentions the accomplishments made in the business area of the Ministry of the Revolutionary Armed Forces, "where innovative studies on the organization of production, work, and wages were developed, implemented, and consolidated," as well as the implementation of different forms of incentives in state-run farms.

Concerning the incentives paid in foreign currency, used in sectors that generate income in freely convertible currency or that replace major import expenditures, it was learned that more than 1 million workers have benefited from this.

The labor movement, the report emphasizes, has given special attention to the economic results stemming from these incentives, periodically assessing the degree of effectiveness reached.

Finally, the document clarifies that despite the positive effect attained, these incentives will be implemented in this specific situation; therefore, in the future, the greatest motivation for the workers should be expected to come from the earned salary.

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Cuba: F. Castro Discusses Harvest Problems at CTC Congress

PA2904020096 Havana Radio Rebelde Network in Spanish 2122 GMT 28 Apr 96

[Report by Diosdado Maso on statements by President Fidel Castro, Sugar Industry Deputy Minister Raul Trujillo, and sugar expert Ramon Castro Ruz at the 17th Cuban Workers Federation Congress taking place at the Havana Conventions Palace in Havana on 29 April]

[FBIS Translated Text] [Begin Fidel Castro recording] It was a downpour. Here we were, happily awaiting the congress opening, but... [pauses] at least a slap of water. [laughter] In Manati [words indistinct] there were 23 mm of rainfall, and this halted the harvest at least until Monday. There was an average rainfall of 33 mm at the Antonio Viteras sugarmill. The four sugarmills that have to grind the 123 million arrobas and which are currently at about 116 million, more or less, have received heavy rain that practically halted the harvest. For your information, the emergency drainage is designed to cope with 100 mm. We hope this does not happen. Our climate, fortunately, favors the harvest in those places, except at the Argelia Libre Sugarmill where the land is very low. [words indistinct] the highest yield at the Viteras is reached now [words indistinct]. Holguin received another downpour, which caused a halt [words indistinct] this was not 200 mm or 300 mm, the Argelia Libre Sugarmill received 600 mm of rain in 24 hours. It completely halted the sugarmill. [Words indistinct] the province, comrades received support from all the ministries; several ministers have been there. I do not know what the weather is going to be like. What measures can be taken to foresee what will happen? [end recording]

The commander in chief explained to the other delegates that these things should be taken into account when pledging sugarcane growth figures for the next harvest.

[Begin recording] [Fidel Castro] It would be good if the congress had some idea. The plan is to prepare 20,000 caballerias of sugarcane, replant, cultivate, move on to deep cultivation. Fortunately, we will conclude earlier than the previous harvest. [Words indistinct] thank God, the harvest was completed the first few days this year. Others will have completed a significant portion of the milling, such as in southern Las Tunas Province [words indistinct] north, working on the cultivation. We will end earlier, but we still have to cope with unpredictable weather factors. We cannot lose out on these measures; we need to be sure. Let us see, Trujillo, if this holds true and go and see if the soil is ready [words indistinct].

[Trujillo] Commander, may I explain to the plenary what the situation is like and give them some idea on how things have evolved today?

[Castro] But how many caballerias have you harvested today?

[Trujillo] We have completed 15,050 caballerias until now.

[Castro] How many are you supposed to have by 30 April?

[Trujillo] We have practically all the land worked on. Only Camaguey Province is behind; there are about 300 caballerias pending.

[Castro] Pending harvest?

[Trujillo] Yes. We have 6,000 caballerias between ready soil and planted soil.

[Castro] 3,000?

[Trujillo] 6,000. We should end up with some 7,000 caballerias by 30 April. Up to yesterday we had planted slightly more than 3,000 caballerias — 3,049. We want to plant by 30 April slightly more than last year, which was 3,415 caballerias. We think we can make it. We are working and the planting and readiness of the soil is being worked on. This is an important growth element. The 800 million, 600 or 300 million, requires support. We have the support; tasks need to be developed in order to guarantee the minimum to allow for unexpected events and things that are beyond the control of man and thus guarantee a growth of between 600 and 800 million. We say it should not be less than 800 million. [end recording]

The sugar harvest is an extremely complicated matter, especially if one takes into account that one needs to complete the current one and prepare for the next one. That is why Delegate Fidel Castro, after listening to Minaz [Ministry of Sugar Industry] Deputy Minister Raul Trujillo, asked to listen to experienced sugar grower Ramon Castro Ruz.

[Begin recording] [Fidel Castro] Let Ramon speak. [applause] Let us muddle this up a bit. Ramon said yesterday on television that in order to walk sometimes one should ask where one is headed. Let us see what he makes of all this. [chuckles]

[Ramon Castro] Comrade President, comrade delegates, and guests. You are all going to give me a heart attack [laughter]. The truth is that the sugarmills are making a great effort to produce and grind sugarcane. There are things, however, that are more difficult. I said at the last Council of Ministers meeting that [words indistinct] that

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if they did not control 70,000 caballerias at 30, 40, or 45 cm or even up to 50 cm. It is as if a knife were used on butter. This contaminates the land and washes away the arable soil. We do not want to discuss all the resource problems the people have. Everyone knows about the blockade problem. But we, individually, need to know about the blockade in our minds. [applause] [end recording]

Cuba: F. Castro Discusses Construction Work

PA2904045296 Havana Radio Rebelde Network in Spanish 0003 GMT 29 Apr 96

[Report by Margarita Torres on statements by Cuban President Fidel Castro and State Council member Felipe Perez at the 17th Cuban Workers Federation Congress at the Conventions Palace in Havana on 29 April]

[FBIS Translated Text] Felipe Perez, member of the Council of State, informed the commander in chief of the current state of the Conventions Palace Hotel work, in which Fidel expressed interest.

[Begin recording] [Castro] Next door there is a construction site. The building is being expanded to turn it into a hotel to serve this Conventions Palace. The people at the Councils of State are often informing me of the construction speed of this work next door. It will have 180 rooms, rated at four stars. It is being built in 14 months. I wonder what the monthly production is; I guess it must be high. There are 100 or so men working there at a good pace. Perhaps Felipe can give us some idea, if he has visited this site. Is Felipe here?

[Perez] I am here.

[Castro] Do you know? It is a 14-month project?

[Perez] It is a 180-room, four-star hotel. Initially the comrades had estimated that it would take 16 months to build. But afterward, we realized that it was possible by working hard to complete it in 14 months. This work began in May 1995, and it one one year's work will be completed the first days in May. It will be about 63 percent complete by the end of April. By 30 May, it should be 75 percent complete. The cost is just under 12 million pesos, taking into account both currencies. More or less 11.6 million pesos.

[Castro] What was the productivity value?

[Perez] I do not have the exact figure. Here we are dealing with various construction forces. Here we have city Micons [Ministry of Construction] workers from (Majalacoa); workers from Cubanacan's [Cuban Tourism and International Trade Corporation] construction brigade, who have been at the site since the work began. The other day it seems that the Cubanacan construction workers had mentioned an April productivity figure close to 4,000 pesos, I believe. I do not have the exact figure with me.

[Castro] How long will it take to recover costs taking into account the number of international events that take place here?

[Perez] It is estimated that the hotel will have a high occupancy rate when one takes into account that every year the Conventions Palace receives between 13,000 to 15,000 foreigners who take part in events held here. In addition, we expect tourists who have no connection with the Conventions Palace and who will have one more hotel option in this part of the city.

[Castro] There is news everywhere about new technology, ideas, equipment, and so forth that with organization and discipline, plus a series of additional concepts, can revolutionize construction work and the productivity of workers. There are plenty of new things. In Cayo Coco, an aqueduct is being built using many new materials. The pipes can be carried by two men as if they were as light as a handkerchief. It is calculated that those pipes can last 60 years. They are made of fiber optics... [pauses] what is the name? Fiberglass, that's it. It is expensive, but the work itself turns out less expensive because it is done very rapidly. This can solve many of our problems that we come across in all the buildings on the coast. We can take there all the best quality water. Construction is at a tremendous pace. Materials are having a big impact on construction. We are going to have to study costs, but the difference it will make is tremendous. The hardness is adequate. From what I hear from many people, the outlook is great. Those people in Cayo Coco are very good people. The same goes for the people in Ciego de Avila and Santiago de Cuba. They only turn bad when they come here to Havana. [laughter] People in Ciego de Avila, Cayo Coco, and all those places... [pauses] it is strange. These people make an excellent impression and they are also advancing very quickly. In a matter of months — 18 months, 20 months — they are building a hotel there, which, in its initial stage, will have 500-odd rooms, and afterward, it will have up to 700 rooms. Things there have changed incredibly. That could well set a construction workers' standard. There was nothing there before; only an embankment. The embankment had to practically be built clandestinely. I asked myself whether I had anything to do with this business. [chuckles] I got them a bunch of trucks because we wanted to know how many rocks were needed to build 1 km of embankment. How much gasoline would be used, how much oil, wages. We began the first embankment. Nearly all the country's embankments have been completed. Who would have thought they could be built in that place where

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there was nothing. A road was also built. There is also a water desalination plant, which is a magnificent solution in many places where a pipe cannot reach, such as in Cayo Largo. There the problem has to be solved with a desalination plant, which is inexpensive and produces water cheaply. They have the plant there until they find water in Moron.

That is growing at an amazing rate. There still are many people there who have been unable... [pauses] they are not yet putting the most modern methods into practice, but they are producing and are performing quality work. It is something extremely serious, serious. I do not have any doubt that you are going to prove what you are capable of given the current conditions. We have taught many methods, and we did not lack a labor force because of the excess of men and because of a lack of production [words indistinct] went up, because we did not have enough builders [words indinstinct] this capital. This capital does not want to build [words indinstinct] theaters, too much development [words indinstinct] finding builders in this capital is difficult. There are builders in Las Tunas and even Camaguey, from eastern Cuba [words indinstinct] problems here, especially in this city. There is not enough water; we have to seek formulas, because there are cities that have grown a great deal. The need for aqueducts and sewage is very big.

However, there are new techniques on which we have fallen behind, techniques that we did not even know: Construction means, materials, small equipment. I criticized builders, but included everybody in this category. I spoke mainly about tourism, because there was a big boom in the tourism sector. People did not fit in it. There were huge opportunities. We have to build at least 4,000 to 5,000 rooms a year, several thousand a year... [pauses] in Varadero, last year, a hundred and something rooms had been build in Varadero alone; everybody was demanding this.

On the other hand, when one travels, one realizes the country is talking about the sugarcane [words indinstinct] last tour of Esmeraldas, all these places, Jobabo, Peru, and we... [pauses] it seemed to me that we were in the PRC and Vietnam. This country has experienced a population explosion. If it is not the entire country, at least many communities of this country.

The PRC has a great deal of land, but agricultural land comprises only 100 million hectares. Vietnam has... [pauses] the PRC has 1.2 billion inhabitants, and you see [words indinstinct]] houses and people. The number of people is amazing, and then you go to Esmeraldas. What there is in Esmeraldas is [words indinstinct]] Brazil, Esmeraldas sugar mills. I was pleased that we built the embankment in Cayo [word indinstinct] 21 km of beautiful beaches. This area is going to be developed. Ciego de Avila is developing with all those things in Cayo Piedra, Caibarien, all the region, and I was wondering where that many people are going to work.

I was attending the event at the Peru Sugar Mill [words indinstinct] there were thousands and thousands of people in the Peru sugar mill. I was telling myself that it was impossible for all these people to live off a relatively small industry. Of course, we have the countryside, which can employ a large force, many people, and it is employing them through different means. We have to introduce technological innovations into the agriculture sector. We are producing strawberries for Varadero tourists, high quality strawberries with new technology. We have to produce tomatoes and others products in the summer, in the year's many seasons. Agricultural work could pay off; it could be a large source of jobs for the country. I was pleased to realize that tourism could create many jobs for many people in all these places.

In a multitude [words indinstinct] everywhere [words indinstinct] people, we cannot live by working 90, 100, 120 days; it is not enough. In addition, you have to take care of this labor force. We have certain activities in which stability is a phenomenon, a relative phenomenon.

We need to see how we solve the sugarmill workforce stability problem. Now it is increasing and new phenomena have taken place in connection with many of the problems Ross mentioned in his speech this morning. There is a slightly greater need for money due to all these things; there is a new spirit, a different attitude by the people. We need to find solutions to many of these problems. Trained men in sugarmills who are lost are not easily replaced. There is no estimate on how much this costs. We need to see what duties, what tasks, what things can be found that are enjoyable by the people doing the work and convenient for those doing these tasks. This will allow us to find stability in the sugar industry, which will allow a greater participation by those people living in the area, while at the same time guaranteeing that one can count on that worker. One of the problems that has not been mentioned [words indistinct] plenty of times, is that the sugarmills have lost qualified workers, and many of the problems there were operational in nature. This makes me wonder a lot. It was once said that it was quality, or whatever. [chuckles] I believe that this is why some of the sugarmills had a performance yield of eight or nine, instead of 11 or 12. We only need to ask why sugarcane has not improved with all the scientists we have. I say that there has practically been no improvement at all. Some may argue that this is not true, that new varieties exist, which I may not be familiar

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with. But I do not see any new varieties such as the 43-62, which we mentioned was lost. The [word indistinct] 60-5, I believe it was the Eliseo brothers in Camaguey. Either that one or the 87-51, one of the two. That man was in search of a sugarcane, which who knows how we would make out without it. Nevertheless, it is a variety threatened by certain plagues, certain pests. This country has so many scientists and laboratories and no new varieties have been created, which can give a yield of 15 or more and resist plagues. There have been sugarmills with a performance yield of 14 [words indistinct]. I do not know if they used honey [laughter] to get such a figure. We need to see what [words indistinct] to see what yield it has had, which is a big sugarmill. We have not advanced and we need to improve our technology, science, and all these things much more.

This also holds true for construction work. We need to solve the problems. Havana cannot continue to bring construction workers from Oriente Province, Camaguey, and those places. It is amazing how many illegal workers we have in the old part of Havana. This cannot be resolved by anyone unless there are other formulas, a different alternative, which will somehow allow people to work where they live. The revolution has done plenty. [Words indistinct] is new. Who says that today Las Tunas should not be a place where not too long ago one rode a bus [guagua] or visited a coffee shop, and I do not know what else they had. Today, Las Tunas has super hospital so and so, the (Salpito Asylum), and a pedagogic university. Many cities in the country's interior have developed with only an elementary school nearby. Every time I mention the word interior I remember a comrade who said in an assembly: Listen to me, if the other people are from the interior, who are we? Foreigners? [laughter] He reacted to the word interior.

A new spirit has developed over these years. Sancti Spiritus is not what it used to be, Holguin is not what it was, or Bayamo. Unfortunately, this does not hold true with other provinces. Santa Clara or Pinar del Rio are not what they were. Despite this all, this trend has not been as great as the rest of Latin America. All these sights we see on television is the cost of a lack of a national planning policy. These are some of the problems that we are facing today and which force us to build so much and makes us think. This will require us to search for solutions to many of these problems. I will tell you the truth, I prefer those little economic houses rather than those apartment buildings that all look alike. Some of these houses were not built by those living in them, and they are — they are supposed to be good. [chuckles] But [word indistinct] listened to the comrade who spoke about the ecological communities. Statistics were presented that were somewhat [words indistinct]. Pretty houses can be built in nice communities, where it will be better to live than in an apartment on a fifth floor in the (Alamar). I remember when the (Alamar Segundo) was being built and many people moved there. Transportation and other problems ensued. Many people prefer to live in one of these houses they occupy illegally with another 20 families rather than live in an apartment. I say that these situations must lead us to find solutions. I repeat, construction work will revolutionize things; will save effort. Not so as to have people without work, but to enable people to do more things faster. [end recording]

Cuba: F. Castro on Importance of Sugar Industry

PA2904040796 Havana Radio Rebelde Network in Spanish 2258 GMT 29 Apr 96

[Report by Eva Alvarez on statements by President Fidel Castro at the 17th Cuban Workers Federation Congress taking place at the Conventions Palace in Havana on 29 April]

[FBIS Translated Text] My greetings from the Havana Conventions Palace, where the 17th Cuban Workers Congress is meeting.

As part of the events that took place this Sunday morning, Commander in Chief Fidel Castro extensively discussed the situation various provinces are currently facing with regard to the sugar harvest. He also commented on those provinces where production has been good as well as those where production has been poor. In addition, he insisted on the need to distinguish when it is possible to attribute performance to poor production programs, weather problems, or any other causes.

[Begin Castro recording] Our dilemma lies in what we can do to solve the problem in spite of poor weather. Among other things, we are facing problems in Cienfuegos that have not been properly explained here. Unfortunately, we are also facing problems in Matanzas. We are facing low production levels, tremendous delays, and other obstacles. What we will finally end up with is some provinces producing more while others produce less. There are all sorts of factors that influence each province's performance. This is what we have to analyze so that we can learn which factors are attributable to an incorrect strategy, to negligence in maintenance operations at the sugar complexes, or maybe to oversight in adequately distributing the scarce resources. [end recording]

With respect to the engines of the machines used this year and forecasts for next year, Fidel stressed that our factories are now manufacturing better engines than before.

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[Begin Castro recording] We still insist on machines that have Russian engines. Please do not take this comment as a reprimand to what... [pauses] at one time, there were about 4,000 such engines involved in the harvest and we were only able to produce a harvest of nearly 8 million tons with those machines. Those were engines that would stop operating at least four times a day. This year, however, the engines we used did not stop as much during the entire harvest. We have been able to manufacture a limited number of CAT-2 engines at a cost that may have not been the best but which was still inexpensive. However, there are still a number of CAT-2 [words indistinct]. Next year we expect to have about 500 CAT-2 and with these engines we expect to slowly reduce [words indistinct]. Since everything is mechanized, we need to have engines for hauling, cutting, and transportation so that the complex can produce at 100 percent capacity. Right now, we are only producing at 76 and 80 percent capacity. We need more hauling and transportation capacity so that we can overcome problems whenever it rains. [passage indistinct] We are gaining tremendous experience from this harvest. Our factories are beginning to turn out better engines. Our factories are manufacturing engines that are already being used in rice combines, and in [words indistinct]. The old machines are slowly being replaced. More funds can be saved if we put a new engine on a machine that will work throughout the harvest without breaking down once. Some defective engines have cost us 40,000 or 50,000 arrobas. Under specific circumstances, the machines we are currently manufacturing have been able to triple our productivity. Right now we have to prepare the soil [words indistinct]. Some of those old engines were never made to cut not even a pine grove, much less an entire sugarcane plantation. [words indistinct] soil has to be prepared. Have you noticed the effort currently being made by workers in this round up? This effort is what has been helping us to clear hurdles. [end recording]

The commander in chief reiterated the efforts being made by each province and the importance of having the workers movement kept well abreast of changes.

[Begin Castro recording] We have to carry out the sugar harvest plan. It has now become a symbol. It is not just a matter of economic value because of what we can get out of it [words indistinct]. Next year we have to [word indistinct]. You are all moving ahead satisfactorily. [passage indistinct] Some of the provinces may not meet their targets, but we still have Matanzas, Havana, Cienfuegos, Ciego de Avila, Camaguey, Las Tunas and Holguin. These provinces have a tremendous cutting potential. Historically not much rain tends to fall in these regions, and mills here only cease operations sporadically for one or two days whenever there is unexpected rain. This region is well-known for its sugar yield. Before the rains, Vitier was producing more than 12 percent of the sugar. A sugar complex with more than 1 million arrobas is [words indistinct] Las Tunas is a region where it rains less and there is greater [words indistinct]. There is much hope that with a little more effort [words indistinct] most of all because south of Camaguey, as we are all aware, nothing can be taken for granted after March in the region of Vertiente.

On the other hand, in the north, it can take three weeks and up to a month to cut the same amount. It is for this reason that it is important to explain the situation so that the Congress can know where things are working properly and where they are not operating adequately. It is critical for us to be clear on where things are not operating properly due to reasons beyond the control of our comrades as, for example, in the case of Holguin and Las Tunas. In Camaguey, there are a lot of problems, and workers are making tremendous efforts to overcome them so that not one sugarcane will be left uncut. [end recording]

A main issue that Commander Fidel Castro discussed during his address was related to the critical need to ensure sugar efficiency.

[Begin Castro recording] It is not possible that the tourism industry can produce more that the sugar harvest. It is just not possible. As I already said a few moments ago, the sugar harvest is not just an economic problem. It is symbolic. We have to continue growing until we are able to utilize our full capacity. Keep in mind that if a mill grinds for just 75 days, there are more costs involved than if it grinds for 130 or 140 days with the same workers [words indistinct], the same combine, same boilers, same industrial investments. A very costly sugar is produced when we have [words indistinct]. A sugar mill with the same number of men and women can produce twice as much with a lower cost. Increasing sugar production would be equivalent to significantly cutting costs. This is why this drive to increase the days of operation of the sugar complex is so important. It is very critical. Accomplishing this will not only have a tremendous economic effect but also an effect on morale. There is no greater enthusiasm felt by workers than when they have been able to meet their sugar quotas. Thousands of people cheer at the sugar mills when production targets are met. On the other hand, mill workers suffer when they are unable to reach their quotas. Mills do not only have to deal with economic problems but also with social problems. There are millions of individuals, between workers and their relatives, who live off the sugar harvest. We also have to take [word indistinct] into account, in addition

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to those who cut, those involved in hauling, those in the entire industry. There are millions involved if we count men, women, children, households. This is a political, social, and even moral problem. This is why the sugar industry is so important and why we are so determined to raise this activity to a profitable level. There are other by-products we can get out of sugarcane such as, for example, rum, alcohol, and products for cattle. There are numerous other things we can get out of sugarcane. In addition, we must consider the electricity issue. The day the sugar mills begin to operate efficiently, there will be cheaper electricity. This is an industry that we have to finetune so that it can operate like a watch. It is important, but we must not neglect other industries that can also produce more revenue. At any rate, we cannot downplay the importance of an industry in which there are practically 2 million people involved. What would become of the food industry in this country without sugar? What would become of the marmalade and [words indistinct] without sugar? In my opinion, the importance of the Cuban sugar industry surpasses the economic issue. [end recording]

We have just listened to a special report on an address by Commander in Chief Fidel Castro in which he highlighted that we not depend on sugarcane only for economic reasons but also for spiritual reasons. That is why he stressed that it is an industry we have to finetune like a watch.

Cuba: Torres Presents Achievement Award to Sugar Complex

PA2504202896 Havana Radio Rebelde Network in Spanish 1155 GMT 20 Apr 96

[From the "Doing Radio" newscast]

[FBIS Translated Text] Nelson Torres, Politburo member and sugar industry minister, presented the achievement banner award to the Patria o Muerte Sugar Complex. It was the second complex in Ciego de Avila Province to reach its production goal during the current sugarcane harvest. The complex reached its goal — 22,700 tons — one week earlier than expected due to the good use — 80 percent — of its grinding capacity. This yield represented an 11.45-percent increase compared to the last campaign. As of yesterday, when the goal was reached, the workers have a new challenge and that is to produce another 4,000 tons of sugar, according to what was said during the banner presentation ceremony. The ceremony was also attended by Alfredo Hondal Gonzalez, Politburo member and first secretary of the Communist Party of Cuba in Ciego de Avila Province.

The closing address was delivered by the sugar industry minister, who recognized the high degree of efficiency maintained by the Patria o Muerte Sugar Complex and added that the country needs an extraordinary effort from the people of Ciego de Avila to fulfill the sugar production goal.

[Begin Torres recording] The 540,000 tons are [words indistinct]. We must put them [words indistinct]. Ciego de Avila Province is a model for the country. This is a big province, and it knows how to produce sugarcane, but two years ago we [words indistinct] the industry. It was not a secure or efficient industry. You have worked very hard in recent times and it [words indistinct] gaining confidence and efficiency in Ciego de Avila's sugar production industry [words indistinct] for several quarters it has been in first place, in efficiency, in the country, with yields of over 11.50 [measurement not specified]. [end recording]

However, Nelson Torres stressed that this province needs to increase its grinding levels because, in the last few days, they have dropped. He added that to obtain this what is needed is a winning effort in dealing with exhausted machinery and equipment, caused by long and intense days of grinding.

Cuba: Commentary on 'Fundamental Essence' of PCC Report

PA2504202596 Havana Radio Rebelde Network in Spanish 1700 GMT 22 Apr 96

[Commentary by Nestor Nunez; from "National Radio News" newscast]

[FBIS Translated Text] At a time when the nation is discussing the report by the Communist Party of Cuba [PCC] Politburo, which was presented by Army General Raul Castro before the fifth plenum of the PCC Central Committee, it becomes important to broach at least the fundamental essence of this document.

When the report came to light, some people thought that we would somewhat return to the past, which left behind very harmful patterns such as apologetic behavior, self-censorship, and imposed silence regarding information and the public expression of ideas. However, nothing is further from the truth. The report focuses on the continuity of the revolutionary debate, the need for several forms of expression, and, additionally, it accepts and acknowledges differences from the prevailing views, as long as the debate is conducted for the benefit of the fatherland.

It is clear that there is no intention to stop revolutionary debate, but rather to point out and remind the people of the channels and means that must be used, so that the

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differences do not become a weapon in the hands of the enemy with its destructive goals.

It is up to the revolutionaries to conduct the debate according to these guidelines and to keep current so that neither the declared enemy nor domestic dogmatic views might influence the clear and precise call for spirited, lively, and calm objective thoughts, no matter how difficult it might seem.

The report to the fifth plenum of the Central Committee is nothing more than a document by and for current times, and this is how those who are interested in the continuity of the Revolution and its rapid improvement must view and understand it.

Cuba: Sugar Workers in Santiago de Cuba Congratulated

PA2704005696 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 24 Apr 96

[From the "NTV" newscast]

[FBIS Translated Text] From Holguin and just moments ago, General of the Army Raul Castro congratulated Cuban sugar workers for their productive feat.

[Begin Castro recording] Today, we want to congratulate all sugar workers, agricultural, industrial, and transportation, etc., from Santiago de Cuba Province because today the province has reached its sugar harvest goal. Now, it aspires to produce a little more. [applause]

Last night, the commander in chief called Comrade Jorge Luis Sierra, first secretary of the Communist Party of Cuba [PCC] in Holguin Province, and informed him that he regretted not being able to be here with you today, in this case due to obvious work reasons. Through Sierra, he was requesting that we, political cadres touring the area, come here and congratulate you on behalf of the PCC, the government, and on his behalf. [applause]

Albeit the Yankee's intensified blockade and the infertile rage we provoke in them by the resistance of our people to so many years of abuse and harassment; and even though we are almost alone in the world, in reference to our social regime, we are still here. Next to Marti and Maceo, getting feedback from our glorious history, from Hatuey to Fidel. [applause] With great pleasure Juan Almeida Bosque, Ulises Rosales del Toro, chief of the armed forces general staff, together with the Eastern Army and the political cadres that accompany me, join me in this sincere and modest salute, along with the congratulations from our commander in chief and from all of us, as well. [applause] [end recording]

Cuba: Sugar Production in Santiago de Cuba

PA2704175596 Havana Radio Rebelde Network in Spanish 1155 GMT 24 Apr 96

[Telephone interview with Juan Carlos Robinson, first secretary of the Communist Party of Cuba in Santiago de Cuba Province, by reporter Carlos Sanabria in the network's studio in Havana; from the "Doing Radio" program — live]

[FBIS Translated Text] [Sanabria] I am very happy for your call, because we had announced that Santiago de Cuba Province has in its mills the sugar that meets the production goal and that the ceremony to celebrate this victory will take place at 1400 at the Dos Rios Sugar Complex.

[Robinson] Yes. The sugar that meets the production goal is being processed in our factories. What has happened is that we have postponed the events that were planned for yesterday; they will take place this morning and afternoon. During the ceremony, in an official manner, with the sugar physically there and bagged, all our people are going to celebrate the victory. The ceremony does not mark the end of the harvest; it is the ceremony marking the fulfillment of the production goal. It does not mark the end of the harvest, which continues in the (Don Reinaldo), America Libre, and Rafael Reyes Sugar Complexes. These complexes will have the responsibility of not only surpassing their goals but also producing an additional amount that is pledged to the country's leadership. It pertains to the amount of cane pledged in the current harvest.

The great day has arrived with much satisfaction. Yesterday, as it was announced, we were delayed a few hours due to the rain that stopped the machinery at the Dos Rios Sugar Complex, but all our people can share the happiness today in knowing that we have accomplished this task. I reiterate, even though there were some hours difference between what was initially calculated....

[Sanabria, interrupting] I think....

[Robinson, interrupting] This does not take away any merit. It motivates and is deserving of the recognition of all sugar workers by the leadership of the Communist Party of Cuba and the government, as they have done so today and before. That is what we are doing.

[Sanabria] Comrade Juan Carlos Robinson, I think the sugar workers' manner of confronting adversities, rain and others, that have popped up during this sugar harvest makes the victory even more significant even if the achievement of the goal has been delayed a few hours more than anticipated.

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[Robinson] I agree. The bigger the difficulties we encounter and overcome, the bigger the victory.

If the harvest is done....[pauses] The most important thing now is to be inspired by this result and to continue along the path toward the other tasks to guarantee the next harvest. I am referring to the planting, weeding, and care needed after cutting; that is, reconditioning the cane fields and fertilization. We are going to have to exert a great effort in the area of fertilization, because we do not have supplies that will cover all the areas. These are a group of tasks that will require an effort from the entire sugar production family. I think all of this will culminate with the success we all desire.

We will grow in cane and sugar during the next harvest. In a word, recover our historic levels of quality and productivity. As you well know, these results are still not [word indistinct] to what can really be produced, bearing in mind the areas and installations we have.

Congratulations to the comrades. The success has been brought about thanks to a great effort and the continuation of the fight. That is the idea behind our attempt to host the main ceremony in 1998 commemorating the 45th anniversary of the assault on the Moncada Barracks.

Cuba: Last PCC Report Described as 'Move Backwards'

PA2704012396 Madrid EFE in Spanish 1510 GMT 26 Apr 96

[FBIS Translated Text] Madrid, 26 Apr (EFE) — European Commissioner Manuel Marin deemed today as "very difficult" that the negotiation of a cooperation agreement between the EU and Cuba can be carried out.

"If there are no fundamental changes from now until 6 May, it will be very difficult to reach an agreement," Marin stated in an interview with the Spanish radio station Cadena Ser. In this interview, he described as "a move backwards" the last report by the Central Committee of the Communist Party of Cuba (PCC).

Cuban and EU representatives will meet in Brussels on 6 May to continue bilateral talks conducive to an eventual negotiation of a cooperation agreement.

These talks began after the European Council in Madrid tasked the commission with the drafting, in the first half of 1996, of a mandate of negotiation to reach an economic and commercial agreement with Cuba, the only Latin American country with which the EU does not have contractual ties.

However, this mandate was not a carte blanche, since it charged the EU foreign ministers with "examining it in the light of any progress registered by the political and economic situation in Cuba," and granted them the last word to begin the negotiation.

Spaniard national Manuel Marin, vice president of the European Commission and commissioner for Latin America, traveled to Cuba recently. There, according to diplomatic sources, he personally told Fidel Castro the conditions of a cooperation agreement and tried to convince him about the need to make a political gesture to promote the negotiating process.

After Marin's visit to Cuba, the PCC Central Committee unanimously approved, last March, a report that lashed out at "ideological deviations."

"The latest report by the PCC Central Committee left us quite concerned and we frankly believe it constitutes a step backwards. In light of this, I believe it is going to be very difficult to proceed with a mandate to negotiate an economic and commercial agreement with Cuba," Marin noted today.

The commissioner expressed his regret over this during the telephone interview with the said radio station and remarked that "it would have been a pleasure for me, professionally, but also, professionally, I have reached the conclusion that if there are no fundamental changes from now until 6 May, it will be quite difficult to reach an agreement."

Cuba: Slovakia, Cuba Sign Scientific Cooperation Agreement

PA2704223696 Havana Tele Rebelde and Cubavision Networks in Spanish 0000 GMT 27 Apr 96

[From the "NTV" newscast]

[FBIS Translated Text] Slovak Education Minister Eva Slavkovska and Cuban Minister of Science, Technology, and Environment Rosa Elena Simeon, have signed an agreement on scientific and technical cooperation.

[Begin recording] [Reporter Vladia Rubio] The document called Memory Aid [Ayuda Memoria] reveals the interest of the two parties in restoring scientific-economic cooperation. Regarding Slovak education, science, and sports, Slavkovska said that these areas are undergoing transformations in reaction to market forces. She stated that Slovakia is trying to streamline the personnel working alongside the athletes in order to prioritize the distribution of funds. Slavkovska added that the education sector has maintained the same structure. The only changes made have been in relation to the operation of private schools. The Slovak minister expressed satisfaction with her visit to Havana. [end recording]

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Cuba: Official on Struggle Against Corruption, Crime

PA2804004796 Havana Radio Rebelde Network in Spanish 1906 GMT 27 Apr 96

[Report by Carlos Sanabria Marrero and Demetrio Villaurrutia at the Conventions Palace in Havana — live]

[FBIS Translated Text] [Sanabria] The sixth commission of the Cuban Workers' Federation discussed the issue of solidarity and the economic and financial blockade against Cuba. The commission, composed of 129 delegates, issued one resolution condemning the blockade and another resolution demanding that the U.S. Government return the territory it illegally occupies in Guantanamo. The commission also sent a message of encouragement and solidarity to the Pastors for Peace.

We will provide further information on the sixth commission, which was the first to fulfill its work program prior to the plenary session scheduled for tomorrow, in future broadcasts. Radio Rebelde's signal now goes to Demetrio Villaurrutia, who has a report on the third commission.

[Villaurrutia] Thank you, Carlos. Members of the third commission are analyzing labor and salary problems today. They advocate strengthening measures against those who perpetrate economic crimes in any sector. Attorney General Juan Escalona gave a special statement. We suggest that you hear his statement:

[Begin Escalona recording] Since you mentioned the topic I think we should clarify it. The situation mentioned by the comrade who just spoke has, unfortunately, been a reality in this country for many years. I say has been, meaning the past, because it no longer exists today. We have a decision from the second secretary, who urges us to reflect on the creation of a social program to struggle against corruption in this country.

Although there are workers who commit crimes — they steal or rob — the phenomenon of corruption cannot be attributed to the workers alone; it also happens at other, much higher, levels. Unfortunately, the economic situation, the presence of foreign capital, the existence of joint ventures — all the new situations we face — compel us to make modifications to the penal code. There is a bill proposed on this issue to again declare pimping a crime — why not admit it, this was a crime many years ago — and to counter the phenomenon of prostitution in the country.

Not even the presence of [words indistinct] to facilitate the struggle against corruption. According to the current code, an economic crime is perpetrated by state economic officials and agencies. The modifications we seek and propose — we have something to do with this — are to declare economic officials and agencies perpetrators of economic crimes, eliminating the word state and including in the description the representatives of foreign capital in joint enterprises, be it a store chain, a hotel chain, or all the situations we currently face. They will thus be tried for the crimes we cannot sanction right now.

I also want to warn you that the Office of the Attorney General of the Republic conducted approximately 600 fiscal verifications last year; and, happily, changes have occurred within the organizations in the country. The reaction we received today from the ministers, after we explained the need for sanctions against leaders in enterprises and [words indistinct], is totally different from what occurred a couple of years ago. Now some ministers even ask us if the measures they will impose are too weak, if they should be stronger. In no way have we faced a rejection when, as a result of a verification, we must start the next preparatory phase and send an individual to prison.

Last week we held a trial against the director of a foreign trade enterprise who had been in prison for more than six months. We have sent entire directorate councils of state enterprises to prison for bribery. Comrades, that is the solution because the situation is getting out of hand and we must nip it in the bud before we find ourselves in the sad situation of other countries, friends or foes. They are living in precarious conditions due to their struggle against corruption.

In October, I participated in an event, the International Struggle Against Corruption, in Beijing. Ninety countries were represented there. The phenomenon of corruption is a phenomenon that wrecks governments and entire countries. It is like a plague that is worse than a plague of locusts. By the way, let me tell you we will also increase sanctions against drugs, and I tell you, we will increase sanctions for the corruption of minors. This is a situation that has arisen. We will even declare it a crime for parents to send their children to harass tourists in the streets [15-second break in reception]. This will obviously entail the loss of parental authority, the loss of parental responsibility for these irresponsible parents who want to live off these minors.

I want to tell you that I do not think there is need to modify a chapter [words indistinct] because nowadays, based on the decisions adopted by the party directorate and the government, the condition of workers and leaders does not modify the penal responsibility; and we will strictly enforce the law regardless of the person's name, location, or position. [end recording]

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Cuba: Politburo Members' Activities Through 25 Apr

PA2704025996

[FBIS Report] The following is a compilation of reports on the activities of Cuban Communist Party Central Committee Politburo members monitored through 25 April.

Yadira Garcia inaugurated various works in Cienaga de Zapata municipality, such as, tourist and services facilities, as well as the offices for the Science, Technology, and Environment Ministry. (Havana Radio Rebelde Network in Spanish 1700 GMT 19 April 96)

Nelson Torres bid farewell to Uruguay mill workers who will help with sugarcane harvest at the Brazil Industrial Automation Center in Camaguey. (Havana Radio Rebelde Network in Spanish 1700 GMT 19 April 96)

Esteban Lazo underscored the patriotic nature of 1 May parade, adding that members of the party, Union of Young Communists, as well as combatants of the Cuban revolution together with their families, friends and neighbors will set the example with their presence. (Havana Radio Rebelde Network in Spanish 1700 GMT 19 April 96)

Esteban Lazo received (Gwendollyn Fokho) who presented her credentials as new Lesotho ambassador to Cuba. (Havana Tele Rebelde and Cubavision Networks in Spanish 0000 GMT 24 Apr 96)

Ricardo Alarcon, Roberto Robaina and Jose Ramon Balaguer met with NOTIMEX General Director Jorge Medina Viedas during his working visit to Cuba that ended on 21 April. (Havana PRENSA LATINA in Spanish 1547 GMT 21 Apr 96)

Ricardo Alarcon attended the opening ceremony of the international congress on sugarcane by-products, which gathered 180 representatives from 15 countries. (Havana PRENSA LATINA in Spanish 0442 GMT 24 Apr 96)

Raul Castro Ruz headed the political meeting and military review to mark the Eastern Army's 35th anniversary in Bayamo. (Havana Tele Rebelde and Cubavision Networks in Spanish 0000 GMT 22 Apr 96)

Pedro Ross Leal congratulated Evelio Rodriguez (Curbelo) brigade from the trade and restaurants union for becoming the fourth million-goal achievers in the country. (Havana Tele Rebelde and Cubavision Networks in Spanish 0000 GMT 22 Apr 96)

Pedro Ross Leal said the International Labor Day parade on 1 May is the workers' congress looking into the future, therefore, he added, it should be dedicated to the new generation of Cubans. (Havana Radio Rebelde Network in Spanish 1700 GMT 23 April 96)

Pedro Ross Leal said upcoming congress of the Cuban Workers Federation, CTC, will discuss political issues, such as, defense of the revolution and socialism, adding it will draft the guidelines to face U.S. hostilities. (Havana Radio Havana Cuba in Spanish 0000 GMT 23 Apr 96)

Maria De Los Angeles Garcia presided over celebrations in Camaguey to commemorate the 30th anniversary of the program called Bringing Schools to Rural Areas and the 25th anniversary of Founding Schools in Rural Areas. (Havana Radio Rebelde Network in Spanish 1700 GMT 23 April 96)

Abel Prieto attended the decoration ceremony of artist Roberto Jaime, among others, with the orders Felix Varela and Alejo Carpentier. (Havana Tele Rebelde and Cubavision Networks in Spanish 0000 GMT 24 Apr 96)

Haiti

Haiti: Preval Promises To Guarantee Food Security

PA2604220996 Port-au-Prince Signal FM Radio in French 1030 GMT 25 Apr 96

[From the "Waking Up Newscast"]

[FBIS Translated Excerpt] The head of state made a new visit in the south. President Preval resumed on 24 April his tour in the province. Preval went to the south as part of his policy aimed at boosting agricultural production. Preval visited Canal Avesac in Camp-Perrin. He also visited the power station of Saut Mathurine like he did last time. This is the second visit of the president since he took office in February. Addressing the population of Les Cayes, Haitian President Rene Garcia Preval, promised to make every effort to guarantee the food security of the country through the boosting of the agricultural production. [passage omitted]

It should be recalled that President Preval is at his second tour in the south of the country. He is accompanied by several Haitian and foreign personalities, notably the U.S. ambassador to Port-au-Prince, William L. Swing. The delegation is expected in Port-au-Prince by today.

Haiti: Preval Visits DGI To Improve Tax Collection

PA2604223996 Port-au-Prince Signal FM Radio in Creole 1130 GMT 26 Apr 96

[From "The 0730 Appointment Newscast"]

[FBIS Translated Excerpt] Haitian President Rene Preval visit the General Directorate of Revenues [DGI]

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on 24 April. The Haitian head of state went to the DGI for a third time as part of the steps he is taking to increase the fiscal receipts of the Haitian Government. Rene Preval talked for several hours with the general manager of the institution, Jocelerme Privert, on 24 April. The discussions unfolded on the efforts made by the DGI to collect money from the people who owe money to the government. The head of the executive received information on the relations developed between the DGI and several taxpayers, and ordered the closing of several enterprises that are not being straight with the Haitian Government. President Rene Preval is willing to send out to the streets a team of 200 inspectors to look for the people who do not want to pay the government the money they owe.

[Begin Preval recording] We are now going to enter the room and we have decided to put 200 inspectors in the streets to make statements and detection [words indistinct] we already put 30 yesterday, we will put 30 today, and so on until their number reaches 200. This is general detection. Now, you know there is a matter of big taxpayers. We do not want to give the impression that a witch hunt has begun.

Director, today, I am asking you to show me the files, by activity, of Sejourne, Larco, Jaar, and Madsen. This means we are in the sector of drinks. Then, we are going to take another sector: Automobile; Gerard Moscoso, Behrman, Brandt [word indistinct] Frantz Brandt, Fritz Kenol, Reynold Bonnefil, and Robert Saliba, who are representatives, car dealers. We are going to take, for example, certain lawyers: Georges Beaufils, Calixte Delatour, Rigaud Duplan, Georges Talleyrand, Gilbert Leger, Jean-Claude Leger, Georges Leger, Jean-Frederic Sales, Sybil Mevs, and Constantin Mayard-Paul. Thus, we are going to take the different sectors one by one. [end recording]

These were statements made at the DGI on 25 April by Preval, who cited the names of several people who owe money to the government, and who have not paid what they owe. The officials of the DGI say they are ready to go into action. The DGI threatens to seize the assets and properties of all those who refuse to pay the government the money they owe. It is in this sense that a team of the DGI went to two stores in the downtown area as the owners of these stores allegedly refused to honor their debts to the government.

Following President Rene Preval visit to the DGI, the officials of this institution went to the house of Cawli, and two other stores in the downtown area, and managed to seize many things that were in these stores. [passage omitted]

Haiti: Cap-Haitiens Demonstrate Against Privatization

PA2604221896 Port-au-Prince Signal FM Radio in French 1030 GMT 25 Apr 96

[From the "Waking Up Newscast"]

[FBIS Translated Text] The population of Cap-Haitien shouted the privatization program down while the special envoy of President Preval in the north, Jean-Baptiste Chavannes, was campaigning in favor of privatization. The population went down to the streets of the city to show their opposition to this gruesome plan of neoliberalism. The demonstrators threatened to take it out directly on Chavannes for having tried to convince them of the so-called beneficial nature of this economic program which, the local rulers say, will favor the economic development of the country. Without the promptness of the elements of the UN Mission in Haiti based in the north, the situation could have been very serious. Despite everything, the delegation continued its work and other areas were visited.

During his intervention, Jean Baptiste Chavannes explained that privatization was not a choice but instead a prerequisite for the progress of the country, and an initiative strongly supported by the international sponsors, he added.

Haiti: Reaction to Increase of Fiscal Receipts Positive

PA2604235796 Port-au-Prince Signal FM Radio in Creole 1130 GMT 26 Apr 96

[From "The 0730 Appointment Newscast"]

[FBIS Translated Text] Senator Clark Parent has reacted positively to the decision of the Haitian head of state to increase the fiscal receipts. The western senator asks for reforms to be made in the public administration to reduce the budget deficit. The legislator calls on the rulers to look into the country's need to get money and invites all taxpayers to pay taxes.

[Begin Parent recording] I think, and this is even what we proposed, that fiscal receipts must really be increased in order to allow the country to get more money. But the fiscal receipts must be revised before they embark on privatization. I think that they must see what resources they have, assess what they have, and what they do not really have, and see what they mostly need. I do not believe that... [pauses] When you talk to me about increasing the fiscal revenues I think the state's spending should be checked as well as the public administration, so that this money is not spent wrongfully, so this money does not go to pockets of what the people call big eaters. [end recording]

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Haiti: Conflict on Privatization Reported in Lavalas Camp

PA2604230896 Port-au-Prince Signal FM Radio in Creole 1130 GMT 26 Apr 96

[Report by Yvener Millien; from the "0730 Appointment Newscast"; passages within slantlines recorded in Creole]

[FBIS Translated Text] There is a conflict within the Lavalas camp about the privatization issue. Several Lavalas legislators say they do not acknowledge any official position taken by the Lavalas party on the privatization issue. These parliamentarians assert that neither the Lavalas Political Organization [OPL] nor the Movement for the Organization of the Country [MOP] were aware of this position.

For his part, Senator Rene Bernardin of the Open the Gate Party [PLB], a component of the Lavalas Political Platform, says these parliamentarians are ill-informed or they do not know what they are talking about. The first senator of the north adds that he is not the only one who produced the document and that it is instead the result of a consensus that was reached by various sectors. Listen to a report by our colleague Yvener Millien.

[Millien] /Neither MOP nor OPL are aware of any document allegedly signed by them officially on the privatization issue. This is a statement by Belladere Deputy Josue Salomon who explains that the official position published by the Around Table on the privatization issue is an invalid statement. The Belladere deputy informed that this same senator went to Paris to negotiate the Paris agreement and added that it was not Preval or Smarth who created the Unit for the Democratization of the State-Owned Enterprises or invited the International Finance Corporation [IFC] to make the inventory of the state-owned enterprises./

[Salomon] It is not the responsibility of the Lavalas legislators to make the documents official. It is the responsibility of the political parties /of which we are members to give their opinions about it because when you say Lavalas legislators... [pauses] This means that since some of us are OPL members, the OPL must be aware. We cannot make a decision on behalf of OPL while the OPL's executive office is not aware. MOP's executive office must be aware, too. This is how things must be done. I am also pointing out that the men are making a certain number of actions that I find thoughtless. They are people who will cause people to die for no reason./

[Millien] /For his part, Mirebalais Deputy Gabriel Marseille says the question of privatization began as early as 15 October. Deputy Marseille asserts that there were negotiations for President Aristide's return to Haiti. According to the deputy, when one speaks of negotiations, one speaks as well of a political deal [preceding word in English]./

[Marseille] /The privatization issue became a headline in the news after 15 October 1995... [pauses] 1994. This means there were commitments. The restoration of democracy was linked to what was called negotiations. If there are negotiations there is what is called a political deal [preceding word in English], that is, mutual concessions. It was in this context that the men signed agreements in France. Today, I see that the same men pretend to ignore that. I believe this is wrong./

[Millien] /Furthermore, the first senator of the north, Renaud Bernardin, states that these deputies are ill-informed or they do not know what they are talking about. Sen. Bernardin explains that the document that was published was not produced by him only, but that it was the result of a consensus among the various parties. Concerning the privatization issue, the first senator of the north says the anxiety is a budgetary obsession. Sen. Bernardin believes that if the budget problem is solved this year while the reforms are not made, no money will be gotten for the other years. In this sense, the first senator of the north thinks we must listen to the population./

[Bernardin] /In Haiti, there is a presidential culture according to which everybody obeys what a president says. But what is happening now? Organization is being made within the society and organization allows various trends to express themselves. People have acquired the right to follow a trend. I will not reproach anybody for having signed such and such. It is their right. I will reproach them for not having held consultations before they signed; I will reproach them because when they are invited to a meeting, they do not show up, and then they get upset because other people have signed other things. I am clear about that./

[Millien] /This issue deserves to be followed. Millien Yvener for Signal FM./

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Haiti: Public Institutions in the Red

96P20404A Port-au-Prince LE NOUVELLISTE in French 10 Apr 96 pp 1-2

[FBIS Summary] According to Lavalas Deputy Momprevil, chairman of the chamber's Budget Committee, several government institutions, including the Justice Ministry and the National Palace, have already used up their 1995-1996 budget. The total budget is 4.566 billion gourdes, compared to 4.791 billion in 1994-1995. The committee is looking into ways to reduce dependence on external aid and increase receipts via the tax and customs offices.

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Mexico: Government Pleased With U.S. Lift of Tuna Embargo

PA2604201396 Mexico City Radio Red Network in Spanish 2300 GMT 18 Apr 96

[From "The Night Monitor" newscast]

[FBIS Translated Text] Carlos Camacho Gaos, assistant secretary of fisheries in the Environment, Natural Resources and Fisheries Secretariat, has expressed his satisfaction over the decision on 18 April by the U.S. House of Representatives' Fisheries Subcommission to lift the tuna embargo against Mexico. The official said this decision is the result of negotiations carried out since 1990 by the Mexican Government with the support of other countries, including Ecuador, Costa Rica, Venezuela, and Colombia.

Camacho Gaos expressed his pleasure over the decision because it represents the first step to entirely lifting the tuna embargo. The bill is now scheduled for a vote in the House of Representatives' Resources Committee. The bill, approved by 10 votes in favor and six against, seeks to cancel the U.S. commercial sanctions, in place since 1991, requiring the dolphin-safe label on tuna.

In La Paz, Baja California Sur, Camacho Gaos presided over a forum that analyzed the state's fishing potential. Private and local producers took part, as did technicians. Carlos Camacho Gaos was present when the news came from the United States that the U.S. House of Representatives' Fisheries Subcommission had approved the measure to cancel the embargo. It is said that the eventual reversal will take place in the next few days, probably on 24 April, when an official resolution will be issued ending restrictions on Mexican tuna. The U.S. Government's embargo on tuna has been in effect nearly six years.

Mexico: Zedillo on Migrant Workers' Human, Labor Rights

PA2804041796 Mexico City Radio Red Network in Spanish 2300 GMT 26 Apr 96

[Report by Victor Manuel Suberza Blanco; from "The Night Monitor" newscast]

[FBIS Translated Text] President Ernesto Zedillo carried out various activities in Baja California. During a meeting with Northern Border College investigators, President Zedillo said that the violation of illegal workers' human and labor rights is an offense and affront to the Mexican people. He said human rights should prevail anywhere in the world regardless of the people's nationality and immigration status.

Zedillo said more than 300,000 actions have been carried out during his administration concerning alleged human rights violations in the United States. He said that, given the violations and abuse perpetrated against fellow citizens, there are people who are demanding that the Mexican Government act with more effectiveness.

[Begin Zedillo recording] However, it must also be clear that governments like ours must act within the framework of international laws. We cannot confuse diplomacy with chauvinism. We must act with the strength, legitimacy, and authority granted by international laws. [end recording]

During the meeting, in which the migration issue was discussed, Jose Luis Perez Grachola, coordinator of the coalition for migrants' defense, proposed that the executive branch establish a bilateral agreement with the United States on legal or illegal Mexican aliens' rights. He also requested the reinstatement of the National Border Directorate, the only Foreign Secretariat agency that effectively intervened in cases of aggressions. He also requested a better coordination among Mexican Government agencies to have an overall humanist national migration policy.

Zedillo said that all these proposals will be carefully analyzed. He said that, contrary to what is believed by other nations, the migration problem has not increased due to the economic crisis that prevails in Mexico.

[Begin Zedillo recording] It is not true that those who migrate are marginal members of our society or work force. The ones who migrate are enterprising people; they are people who can undoubtedly have a productive role in our own country, but they migrate because of the prospect of having a better income and better living conditions for themselves and their families. [end recording]

He later said that we will only have a moral authority to demand that the United States respect our workers' rights when we are capable of respecting the Central Americans who arrive in our country. Zedillo said that sometimes he has nightmares about the treatment given to Central Americans in our national territory.

[Begin Zedillo recording] I want to tell you that I worry, and even have nightmares sometimes, that one day someone will make a video of what happens when some Central American brothers are intercepted by Mexican authorities. [end recording]

During the tour through his home state, Zedillo met with local businessmen, evaluated the progress achieved by the alliance for rural populations, and inaugurated three factories.

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Mexico: Transport Heads Announce 3-Day Strike From 29 Apr

PA2804042696 Mexico City Radio Red Network in Spanish 2300 GMT 25 Apr 96

[From "The Night Monitor" newscast]

[FBIS Translated Text] The transportation sector in our country has been one of the hardest hit by the current situation. The leaders of the transportation sector have said that they are suffering because of the economic crisis. This situation is not only affecting the cargo truckers, but also passenger carriers. Early this week, the transportation workers staged a demonstration outside the Secretariat of Communications and Transportation. Here is Jorge Diaz with a report:

[Diaz] In a news conference held today, the representatives of 150,000 transportation workers from all over the nation announced that they will declare a three-day strike as of Monday. The transportation workers contend that the authorities have not complied with the agreements reached at the National Congress of Transportation Workers in Jalisco State early in March. (Elias Dip), president of the National Confederation of Mexican Transportation Workers, pointed out in this news conference that among other things, the authorities had pledged to give a 50-percent diesel subsidy and put an end to, or at least reduce graft among federal highway policemen. The authorities had also offered to specify minimum fares for users and drivers. Thus far, these measures offered by the federal authorities have not been fulfilled.

[Begin Dip recording] Two months have already gone by and we have not received any answer at all. This prompted the national council to decide on [words indistinct] and if we do not have an answer by the stipulated date, which will be 29 April at 0800, we will declare a nationwide strike. [end recording]

[Diaz] Imagine if over three days 150,000 drivers park their trucks or abandon their trucks somewhere along the road or in a warehouse someplace, construction materials, paper goods, and even perishable goods such as food intended for Federal District residents, who receive products from the interior of the country and vice versa, will just sit there. The leader of the transportation workers noted that in only three days, these losses would surpass the amount being asked from the government by the transportation workers for granting subsidies and not increasing tolls and other fees. (Elias Dip) stressed that the 2,000 transportation companies that met in Jalisco early in March agreed that these workers should not have to pay property taxes, which would help them face the problem of overdue debts and other measures that have affected cargo truckers directly.

Mexico: Government, Banks, Business Agree on 'Rescue Plan'

PA2804195096 Mexico City EL FINANCIERO in Spanish 22 Apr 96 p 20

[From the "Business Table" column by Herminio Rebollo Pinal: "Oxygen for Companies, at Last"]

[FBIS Translated Text] Boca del Rio, Veracruz State, 21 Apr — The government, bankers, and businessmen have finally reached an agreement to try a genuine "rescue plan" for the production sector, 16 months following the eruption of the crisis stemming from the mistakes of December 1994.

Based on loan restructuring and the injection of working capital, the ambitious program, with the objective of achieving economic recovery through four basic areas for development—construction, exports, farming, and tourism—will be launched in a few hours.

Business Coordinating Council President Hector Larios Santillan made the announcement during the first regional meeting of economic development secretaries sponsored by the state government of Patricio Chirino and coordinated by Juan Fernando Perdomo.

In principle, the system does not sound bad and promises to be effective, because it has been negotiated on for weeks with the government. This is part of the strategy:

1) State and regional committees will be created with the governments of every state, business chambers, and representatives of commercial and development banks.

It is aimed at the small- and medium-sized industries. The companies to be benefited by it will be those that meet the requirements that were outlined to date by Millan Panich, director of Monterrey's Technological Studies Center and consulting company GEO.

It is necessary for the system to be totally clear and precise so as to avoid influence peddling or discretionary practices [discrecionalidad], as well as the rigor of certain banking structures. The companies selected (estimated close to 150 at the beginning) must have profitable operations that confirm their viability.

2) To inject fresh capital into the companies and to encourage economic recovery, development banks will funnel a sizable amount of their resources through state funds and trusts. There, the company will be able to guarantee its own project. Business groups may do the same. 3) A system will be implemented to link all

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the banks with overdue loan portfolios with Fobaproa [Savings Protection Banking Fund]. Pressed to give loans to fill widening gaps, they could now have a much healthier portfolio.

4) Thanks to Enrique Vilatela's Bancomext [National Foreign Trade Bank of Mexico], the suppliers to export companies will be also regarded as exporters and receive the benefits granted under this category.

Mexico: Science Program Outlines Objectives

PA2804142996 Mexico City LA JORNADA in Spanish 22 Apr 96 pp 24, 41

[FBIS Translated Text] 1995-2000 Science and Technology Program.

Introduction

The Secretariat of Public Education (SEP) and the National Council for Science and Technology (Conacyt), in accordance with Article 26 of the Constitution of Mexico and within the National Development Plan, has made public the government actions Conacyt will implement to support the nation's scientific and technological development.

This summary presents the most significant aspects of the program.

General Objectives of the Scientific and Technological Policy

The general purpose of the present administration is to promote the nation's scientific and technological development.

To achieve this objective, the Science and Technology Program centers on the following five general proposals:

— To achieve significant progress in the country's scientific and technological development during the current administration.

— To establish close cooperation between the government and public and private companies.

— To stimulate federalization of the national scientific and technological system and to improve the quality of scientific activity as a whole.

— To promote the ties between scientific activities and social needs.

— To improve coordination of national activities in the scientific and technological areas.

Consult the integral text of the 1995-2000 Science and Technology Program at our Internet address: http:// info.main.cpnmacyt.mx.

For more information call the following telephone number:

327-74-00 Ext. 7803. Fax: 327-76-41 from 1000 to 1400 hours.

1. High Level Professional Training

The principal federal government scholarship program is administered by Conacyt and includes 65 percent of all government scholarships. This program has grown fivefold in the last five years. Under this heading, improvement is needed in research training, the training of professors and students, graduate academic levels, and an increase in funds available for infrastructure and other needs.

A. Expand the coverage of post graduate scholarships available for studying in Mexico and abroad, giving priority to doctorate programs.

B. Reinforce the program for repatriating students awarded scholarships.

C. Support for training of professors in advanced studies.

D. Increase the number of degrees offered for advanced studies with an emphasis on science and technology.

E. Improve the quality of national post graduate degrees by stimulating the establishment of doctorate programs.

F. Promote professional training in industry and foster the participation of industry in financing specialization and master's programs.

G. Improve professional training of technical, research, and business executive teams.

2. Scientific Policy

The nation's scientific development is experiencing problems derived from little investment in research and insufficient promotion of science.

Ties between the business and education sectors must be strengthened to solve the technical or technical know-how, problems

Objectives and Actions

A. Increase the volume, reach, and quality of the nations's scientific activities.

B. Improve evaluation and follow-up of academic activities and research.

C. Reinforce direct incentives to researchers and strengthen scientific careers.

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D. Increase the number of scholarships to encourage interest in scientific research among college science graduates.

E. Establish programs to incorporate highly qualified young men into the scientific community.

F. Promote research with the objective of encouraging ties between scientific activity and the social and productive environment.

G. Promote projects of national importance, such as the creation of advanced scientific research centers, the development of mega-projects, and a computer science program.

H. Identify areas of national interest in which science and technology could play a decisive role.

3. Decentralization of Scientific and Technological Activities

The nation's scientific and technological development is highly concentrated in regions and institutions.

Objectives and Actions

A. Support development of research and advanced learning institutions throughout the entire nation.

B. Foster the expansive growth of the SEP-Conacyt system with the participation of the productive sector.

C. Support the efforts of large academic institutions to direct growth efforts toward a federation of institutions.

D. Transfer administrative functions to federated institutions to promote scientific and technological activities.

E. Promote the creation of local science and technology councils.

F. Encourage the promotion of applied research through regional Conacyt research systems.

G. Achieve interconnection of computer technology between technological institutes and universities through a National Technological Network.

4. Technological Policy

In general, it is necessary to increase the ability of companies to adapt to change and to introduce innovative technological means.

It is especially urgent to attend to the needs of small- and medium-sized companies.

Objectives and Actions

A. Contribute to a more efficient use of technology by companies.

B. Seek a technological policy that will compensate or eliminate market deficiencies and deal with difficulties stemming from the market opening and deregulation.

C. Support companies in acquiring loans to increase their technological capacity and to profit from competitive advantages.

D. Promote joint research with companies or research centers outside the country and quality improvement programs.

E. Raise companies' potential to adopt new technologies, create new innovative products, and adapt to market changes.

F. Encourage a network of standardization and meteorological centers to improve the quality of industrial products.

G. Encourage the connection between oriented research and companies and the participation of universities in the technological effort.

H. Stimulate the creation of centers that help improve competitiveness managed by business associations and academic institutions.

I. Promote the adequate use of tax incentives and create additional incentives to promote investment in technology and innovation.

5. Dissemination of Knowledge

It is necessary to disseminate scientific and technological knowledge and the possibilities that science and technology offer for solving daily problems in every field.

Objectives and Actions

A. To encourage the use of adequate means to awaken the curiosity of children and youths about the basic principles of science and technology.

B. To promote the creation of an interactive museum network.

C. To endorse the preparation of didactic materials for teaching science and technology in the basic education cycle.

D. To have businessmen, public officials, and lawmakers learn the status of the national science and technology system and the system's impact on the solution to production and social problems.

E. To facilitate researchers' participation in disseminating scientific and technological knowledge.

F. To improve the quality of scientific, technological, and informative publications.

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G. To promote the special training of communicators in science and technology.

6. Coordination

It is necessary to improve coordination between the authorities responsible for the design and implementation of the scientific and technological policies. In this way, it will be possible to increase the capabilities of the government and society to stimulate the development of these policies.

Objectives and Actions

A. To stimulate the activities of the Commission for Planning Technological and Scientific Development (CPDTyC).

B. To update the standards governing the commission's activities.

C. To facilitate the relationship between public research centers and industry.

D. To coordinate, through CPDTyC, programs requiring ample cooperation among various secretariats and private sector organizations.*

* The following secretariats have published some of the most important sector programs including the scientific and technological policy: Energy, commerce and industrial development, agrarian reform, agriculture and rural development, communications and transport, health environment, natural resources and fishing, and the National Institute of Statistics, Geography, and Information Science.

7. Academic Exchange and International Relations

It is essential to expand the country's existing information on the supply of international technology and the possibilities of transferring it, encouraging the dissemination of Mexican originated information abroad, and, in general, improving international relations and academic cooperation of all the country's institutions and academic groups.

Objectives and Actions

A. To take advantage of existing scientific and technological cooperation agreements signed between Mexico and other countries and multilateral organizations and to sign new agreements in strategic areas.

B. To stimulate the participation of the Mexican scientific and technological community in international cooperation activities.

C. To incorporate regional research groups and institutions into international cooperation programs.

D. To establish international, shared, financing plans to stimulate scientific research, technological development, human resources, and relations between the academic and industrial sectors.

E. To stimulate Mexico's greater participation in multinational, long-range, science and technology programs and to facilitate the access of Mexican scientists and technologists to leading laboratories and the infrastructure existing in other countries.

8. Science and Technology Financing

It is necessary to increase the resources appropriated for scientific and technological development, which the federal government has traditionally provided. It is also necessary to improve, as best as possible, the use of resources through the application of adequate methods of assessment and greater coordination between institutions. In 1993, the amount spent in research and experimental development represented 0.32 percent of the GNP, only 9.3 percent of which corresponded to the private sector.

Objectives and Actions

A. To stimulate the increase of resources society appropriates for financing scientific and technological activities. Research and experimental development spending should reach 0.7 percent of the GNP by the year 2000.

B. To try to have the private sector's participation in the total spending for research and development reach 45 percent by the year 2000.

C. To have local and international financing organizations participate to a greater extent in research and scientific and technological development.

D. To stimulate the participation of state governments and local institutions in financing research projects that deal with each region's problems.

E. To encourage research centers of the SEP-Conacyt [Secretariat of Public Education-National Council for Science and Technology] system into increasing their income by means of the services they offer.

F. To improve the management of the funds allocated for research activities.

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El Salvador

El Salvador: Commissioner Reviews Peace Agreements

PA2704031896 San Salvador EL DIARIO DE HOY in Spanish 22 Apr 96 p 12

[Report by Martha Elena Ibarra]

[FBIS Translated Text] Four years have gone by and however, eight days from their deadline, the peace agreements cannot be considered as fulfilled yet. The government says that 98 percent of the agreements have been complied with and that by year's end, the agreements will be fully complied with. However, the FMLN [Farabundo Marti National Liberation Front] and the Democratic Party (PD) contend that major points of the agreements are still pending. Therefore, it is necessary that the UN Mission in El Salvador (Minusal) stays in the country as there is no guarantee that the government will fulfill the agreements.

General Mauricio Vargas, presidential commissioner for the fulfillment of the peace agreements, indicated that only two of the 138 points are pending: The Land Transfer Program and the Program on Rural Settlements.

Gen. Vargas said that "we might say 98 percent of the agreements have been complied with and that by year's end, they will be fully complied with."

According to the general, the Land Transfer Program (PTT) should be completed by mid-June, while the Rural Settlement Program should be completed by 31 December 1996.

"The pending issues are routine and the process will be fulfilled automatically; therefore, there should not be any problem in this regard," the presidential commissioner noted.

Antonio Alvarez, assigned to follow up the agreements on the part of the FMLN, said that although some of the agreements have been fulfilled, the government's will to finalize them is still needed.

FMLN Coordinator General Salvador Sanchez Ceren agreed with Alvarez's remark. "We have witnessed that the government is not willing to comply with the agreements and we are currently noticing the weakening of the agreements' design," Sanchez noted.

PD Deputy Eduardo Sancho also expressed his disagreement with the government. "We can say that the agreements have been complied with qualitatively, but not quantitatively," Sancho stated.

According to Gen. Vargas, the last assessment, prepared on 31 August 1995, showed that there were six points pending: Public security, land transfer, urban and rural settlements, programs to reintegrate rebels into society, the protection fund for the disabled and the handicapped, and the legislative reforms. Only two of these issues are still pending. Concerning the PTT, the delivery of deeds is still pending and there are plans to finalize the program for former Army combatants by the end of the month.

Meanwhile, the former FMLN fighters believe that the deeds for close to 1,000 people who have already been identified are still pending. "What is still pending is the administrative process, which could take between 30 and 45 days after April," Vargas explained. However, Antonio Alvarez, of the FMLN, noted that although approximately 90 percent of the PTT has been complied with, there are still 2,000 beneficiaries waiting and there is a shortage of lands. If 500 beneficiaries are issued deeds every month, the agreements could be fulfilled by August 1996, Alvarez pointed out.

According to Alvarez, the worst part is that no deed has been handed to the 32,000 beneficiaries of the Army and the FMLN.

PD Deputy Sancho stressed that only half of the beneficiaries have been issued deeds. Meanwhile, the government has indicated that it is working on the records before announcing the official completion of the agreements. As a result, Vargas noted, 4 percent of the deeds would be left pending.

The presidential commissioner remarked that approximately 40 percent of the deeds have already been recorded in the registry. Vargas added that the program on urban settlements has already been completed and that only the program on rural settlements, which will begin with the transfer of properties, is still pending.

Alvarez said that the program on rural settlements has not begun.

Regarding public security, the commissioner emphasized that although the Police Career Law is awaiting approval in the Legislative Assembly, there is nothing pending. Gen. Vargas said that "this does not fall within the purview of those assigned to fulfilling the peace agreements."

Concerning the protection fund for the disabled and the handicapped, Vargas said that it has been fulfilled. However, in the case of the reintegration of former rebels, he added that this is a continuous process, the reason why the beneficiaries will continue to receive technical assistance and agricultural credits through the banks. According to Alvarez, several beneficiaries have been denied access because their names do not appear

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in the census and they are unable to meet the difficult requirements.

Perhaps one of the pending points in the agreements is the legal reforms being currently discussed at the Assembly.

The deputies must still ratify the constitutional reforms, as well as the approval of the Penal Code, the Penal Procedural Code, the Penitentiary Law, the Police Career Law, and the annulment of the Police Law, which dates back to 1886.

The Constitutional Procedural Law falls under the jurisdiction of the Supreme Court of Justice.

Minusal is (Un)necessary

The fulfillment of the peace agreements in the country would also represent the end of Minusal.

The presidential commissioner contended that "from my point of view, Minusal's presence is not necessary, because the pending issues are so superfluous that they do not require the expenditure of so much energy and economic resources."

Sanchez Ceren noted that so many agreements are pending that "verification by the United Nations is necessary."

Thus far, Minusal has not received new orders from New York, the UN headquarters. However, Ricardo Vigil, head of Minusal, will leave the country on 1 May with or without an extension of the mission.

Sanchez Ceren added that no official notification has been received on whether Minusal will stay in or leave the country, but in a letter sent to the United Nations, the FMLN established the need for Deputy Secretary of Political Affairs Alvaro de Soto to remain in the country to ensure the total fulfillment of the agreements.

This week, an FMLN delegation will travel to New York to ask for an extension of Minusal. The presidential commissioner suggested that a person could come every 15 days or every 30 days to verify, and the settlements could be verified every 60 days or two persons could stay and verify the technical areas in detail.

[Mexico City NOTIMEX in Spanish at 0052 GMT on 20 April transmits a related 450-word, San Salvador-datelined report that says the ruling Nationalist Republic Alliance, Arena, expressed its satisfaction over Minusal's departure on 30 April. This report cites Arena Deputy Salvador Rosales saying that "Minusal was the arbiter of this conflict, we were on one side and the guerrillas on the other." The NOTIMEX report also cites Rosales indicating that "Minusal has been a guarantee for us, the honest citizens who have suffered the unexpected attacks by terrorists. Its departure is a sign of goodwill to let us walk on our own and see whether we have learned the new path for El Salvador toward peace, progress, and democracy."]

Guatemala

Guatemala: Renewing Ties With Cuba Said Not Priority

PA2604151396 Guatemala City PRENSA LIBRE in Spanish 23 April 96 p 14

[FBIS Translated Text] Foreign Minister Eduardo Stein Barillas said yesterday the renewal of diplomatic relations with Cuba is not a government priority but added that the fact that Cuban experts will provide assistance to the country in the short term could be regarded as the first step toward that goal.

"In fact, Cuban technical assistance to Guatemala could be a precedent in the renewal of diplomatic relations, although it would be inappropriate to say a political decision has been made, Stein said.

"Stein also referred to last week's meeting between Cuban experts and representatives of the General Secretariat for Economic Planning (Segeplan). At this meeting, Cubans presented possible contributions in the health, biotechnological, sports, and cultural fields.

Stein said Cuban Foreign Minister Roberto Robaina, who visited Guatemala on 14 January 1996 for the swearing-in ceremony of President Alvaro Arzu, arranged for the Cuban experts' visit. The meeting was reconfirmed in March, when the Cuban vice president participated in a sports event in Guatemala.

Stein recalled that Cuba has well-developed scientific and technical sectors, particularly in health and biotechnology, which Guatemala needs to reinforce.

Guatemala: Possible Authorization of Opening Cuban Mission

PA2604151596 Guatemala City LA REPUBLICA in Spanish 23 Apr 96 p 3

[FBIS Translated Text] Guatemalan President Alvaro Arzu confirmed yesterday that his government is considering the possibility of authorizing a Cuban diplomatic mission in Guatemala in order to increase trade relations with Cuba.

Arzu did not comment on the Helms-Burton law, which intensifies the U.S. blockade on Cuba. He said the Cuban proposal has prompted his government's decision.

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"I believe this action is a positive one, and several Latin American countries have already opened missions," Arzu said at a meeting with foreign reporters.

Arzu recalled that on other occasions he had expressed interest in receiving Cuban aid primarily in such sectors as health, sports, culture, science, and technology. A Cuban delegation is visiting Guatemala for this reason.

According to Arzu, this rapprochement should not hurt "people's sensitivity, although he knows it is bound to do so."

"Guatemala is simply anxious to become a part of the democratic nations of the world and also needs the world to become closer and to join us," Arzu said.

Arzu believes Guatemala is interested in eventually receiving "pertinent" aid from Cuba. The objective is to "benefit" from the Cuban aid as well as that from other countries, such as the United States.

Diplomatic relations between Guatemala and Cuba were suspended in 1960 when the revolution headed by Castro's guerrillas triumphed.

Cuban Foreign Minister Roberto Robaina visited Guatemala in November 1995 to attend the meeting of the Group of Latin American and Caribbean Countries. During his visit, Robaina held informal talks with former President Ramiro de Leon Carpio and other government officials.

Robaina visited the country a second time when he conveyed Castro's greetings to President Arzu, winner of the 7 January election.

Arzu has been cautious with U.S. foreign policy toward Cuba and prefers to keep his distance from the recently adopted U.S. measures against Cuba.

Guatemala: Human Rights Board on Administration Violations

PA2604175196 Guatemala City PRENSA LIBRE in Spanish 24 Apr 96 p 20

[FBIS Translated Text] Nery Barrios, of the National Human Rights Coordinating Board of Guatemala, Conadehgua, has reported more than 500 human rights violations during the first three months of Alvaro Arzu Irigoyen's government.

A report that includes data from the second half of January to the second week of April of 1996 was revealed during a Conadehgua event to analyze compliance with the Global Agreement on Human Rights signed two years ago between the government and the guerrillas.

It has noted that there were 41 summary executions, 52 threats, 16 arrest-disappearances, and 15 lynchings during the first 90 days of Arzu's administration due to the inefficiency of the police and the judicial system.

The report also has cited four raids, 242 murders, 37 attacks, and 118 kidnappings, 43 of which involved children.

Guatemala: Congress Rejects Possible State of Emergency

PA2604172196 Guatemala City LA REPUBLICA in Spanish 25 Apr 96 p 7

[Report by Ramon Hernandez S.]

[FBIS Translated Text] The opposition in Congress on 23 April rejected the possibility of the administration of Alvaro Arzu declaring a state of emergency to stop the wave of violence, because it believes this special measure will show the inability of the Government Ministry's authorities to control violence throughout the national territory if it is taken.

In the legislative branch, opposition deputies harshly criticized statements made by Interior Minister Rodolfo Mendoza that the government does not rule out a state of emergency to control the violence that has prevailed in the last few days.

Congresswoman Manuela Alvarado (FDNG [New Guatemala Democratic Front]) affirmed that it would be counterproductive for the country if the government of Alvaro Arzu "takes this measure, which is a constitutional one. It would prove that his government is incapable of resolving the violent problems adversely affecting all the people."

Meanwhile, Luis Mijangos (FRG [Guatemalan Republican Front]) said that stating that a state of emergency is not ruled out is a desperate measure. This is why we must first implement the last measures, such as making the securities forces play their role.

With this measure, Deputy Mijangos explained, constitutional guarantees and individual rights are violated; thus, it is unadvisable to take these isolated measures.

For Congressman Baudilio Hichos (UCN [National Union of the Center]), a state of emergency would not be necessary if the authorities of the Government Ministry were more efficient at controlling crime. They have shown only their incompetence so far and are now talking about taking such a delicate measure.

"It must be clear that a state of emergency will not contribute to any solution to resolving the violent

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problems adversely affecting us all; thus, other measures must be taken," Hichos said.

Pablo Duarte (FRG) affirmed that "this measure is one the executive branch cannot take, because it demonstrates its weaknesses, curtails individuals' rights, and opens the possibility of all politicians covering their tracks, because a witch-hunt may begin."

Guatemala: Poll Gives Arzu Rating of 4 on Scale of 10

PA2804190896 Guatemala City LA REPUBLICA in Spanish 23 Apr 96 p 2

[Report by Freddy Lopez]

[FBIS Translated Text] Alvaro Arzu, of the National Vanguard Party [PAN], today celebrates his first 100 days as president of Guatemala.

A poll conducted by PRENSA LIBRE has established that in the first three and a half months of government, Alvaro Arzu has headed a government whose main merit has been putting an end to the war. The overall poll shows him, however, as being arrogant, overbearing, and low key.

The poll, as a method to measure the president's efficiency in handling the administration, conducted among fellow party members and members of the opposition has resulted in an acceptance rating of four on a scale from one to 10.

Fellow party members and the opposition agree that President Arzu has turned the peace process around 180 degrees.

The president's main merit has been to have met personally with the General Command of the Guatemalan National Revolutionary Unity, URNG, and to have ordered on 20 March the suspension of anti-guerrilla activities by the military in the wake of the guerrilla's halt in offensive operations.

Hard-liners have questioned the fact that Arzu has not fully kept his campaign promises, particularly those intended to eliminate privileges.

Deputy Rosalina Tuyuc, of the New Guatemala Democratic Front, FDNG, and socialists Oscar Alvarez and Byron Morales all agree that the only achievement of the Arzu administration has been to advance the peace negotiations with the URNG, but they stress that this advance has a weakness: The secretiveness of the negotiation. At the same time they recognize the government's efforts to purge the National Police and Army.

Economist Hugo Maul, president of the National Economic Research Center, CIEN, has questioned the fact that 100 days have already elapsed since Arzu took office and he still has not mentioned his government's program.

It is necessary to know of the government's program so we may be aware of how much it will yield, politically speaking, particularly its interrelation with the economy. We still do not know the possible implications of the peace process on the country's economic development. Giving an opinion is complicated without these elements, he has said.

The CIEN president has graded the PAN's work on seven points. He has said one cannot be too tough with the PAN on fiscal matters, because it inherited from the previous administration a situation based on fiction rather than fact.

All propaganda has stated that the previous administration handed over a public treasury that had money in the coffers and a better way of collecting taxes, but it turns out now that that was not true, Maul has said.

Hugo Maul has said that handling the fiscal problem for the first four months while trying to resolve it, even through the ISET [expansion unknown], demonstrates the degree of responsibility of the finance minister, who has also has said he would like to make other tax reforms.

The work of the public treasury has been acceptable, even though this year seems to be tougher than the previous one, because foreign currency income from the main export items dropped in the first few months, he has said.

The CIEN president has said inflation is higher than what monetary authorities had expected.

One could be very harsh with PAN, because it is not keeping to inflation targets, but it is too soon to judge whether it is higher than what was promised, because this was predictable, much the same way as interest rates have not dropped, given that there is no other way out when it comes to fiscal matters. [sentence as published]

PAN gets a low grade, because it has not moved ahead with privatization and the sale of state assets, even though it never promised this. If it does not privatize, however, it will be unable to emerge easily in view of the size of the problem they are facing, Mual has said.

[Guatemala City LA PRENSA in Spanish on 23 April reports in a similar, 80-word item: "President Alvaro Arzu said last night he feels very satisfied with what he has accomplished in the first 100 days of government, because there have been many positive achievements, particularly those aimed at signing a peace agreement."]

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Panama

Panama: President Says Bases 'Obsolete,' 'Unacceptable'

PA2704153596 Panama City LA PRENSA in Spanish 27 Apr 96 p A2

[FBIS Translated Text] Panama City, (REUTER) — President Ernesto Perez Balladares said yesterday that the U.S. military bases are obsolete and that the country will try to maintain a different type of relationship with the United States once it takes control of the Panama Canal in the year 2000.

"The current U.S. bases...are not only unnecessary but unacceptable," the president told REUTER during a brief interview at the presidential palace.

Exploratory talks between the United States and Panama on the permanence of some of the eight military bases after the term is up broke down in December after Washington refused to pay rent for the land if it was allowed to stay.

Perez Balladares stressed that the United States had not made any "political decision" to keep the U.S. forces in Panama after the Panama Canal Treaties expire on 31 December 1999.

If and when they do so, "I shall respond in an appropriate manner," he said, adding that Panama will not request this from the United States in any negotiation.

"We are not going to come out and say: 'Boys, we want you to stay...' We are working on the premise that there will be no bases in Panama after the year 2000."

The Southern Command, headquartered in Panama, is in charge of all troops stationed in Latin America and will move to Miami in 1998. The U.S. military presence, currently 7,500 soldiers, must decrease to about 5,000 in October 1997.

Perez Balladares, a U.S. educated, 49-year-old economist, said that the Panama Canal had lost its strategic military importance and that there was no need for U.S. troops or troops from any other country to guard the 80 km long, interoceanic waterway.

"A nation that stations troops in Panama does not fit into my scheme of things," Perez Balladares added.

He said it is "very important for Panama...to establish a new and mature relationship with the United States" after ending "a colonial situation."

Perez Balladares reiterated that if the exploratory talks on the bases lead to negotiations and a possible amendment of the 1979 Canal Treaty, he will then submit the matter to a referendum.

"The Constitution specifies direct consultations with the people on matters pertaining to the Canal," he said. Opinion polls show that most Panamanians want the U.S. soldiers to stay.

The Panamanian president, nevertheless, did not rule out a U.S. presence after the year 2000, but said this would be "a separate affair" not linked to the administration of the Canal or the return of properties, which include 30,000 hectares of premium land.

He added that Panama had proposed, with U.S. help, the creation at Howard Air Force Base of a center to fight drug trafficking and money laundering that was part of the government's plans to attract foreign investments.

Since Perez Balladares took office in September 1994, he has promoted economic opening to attract foreign investors to the country through tax incentives and Labor Code reforms.

Panama: Envoy Views Comments by U.S. Official Gelbard

PA2604203696 Panama City LA PRENSA in Spanish 24 Apr 96 p A29

[Interview with Ambassador to the United States Ricardo Alberto Arias by reporter Betty Brannan Jaen in Washington, D.C.; date not given: "Ambassador Arias Says: We Will Not Allow the United States To Intimidate Us" — first two paragraphs are a LA PRENSA introduction]

[FBIS Translated Text] Washington, D.C. — In response to a request made by LA PRENSA, Ricardo Alberto Arias, Panamanian ambassador to the United States, agreed to an interview in which he has commented on recent statements about Panama made by Robert Gelbard, U.S. assistant secretary for international narcotics and law enforcement, during an interview this newspaper has published.

Because the interview with Gelbard was published in a question and answer format that allowed readers to read his exact words, I decided to publish Ambassador Arias' statements in the same format:

[Brannan] Mr. Ambassador, during the interview with Assistant Secretary Gelbard, I attempted to obtain a list of the specific actions the United States would like to see Panama make, but I was unable to do so. Maybe you could give us an idea of what they are seeking, but I would like to ask what your reaction to Gelbard's statements was.

[Arias] First of all, Gelbard is a person who is permanently involved in the struggle against money laundering, and he exerts a tremendous amount of effort into

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this endeavor. He is committed to this task. In other words, generally speaking, whatever is done in this field, which is a task that never ends, will always be viewed as insufficient, according to him.

Anyhow, in our country's case, I believe he has publicly acknowledged that Panama has made some serious efforts in the last few years to control money laundering in the banking system as well as in the Colon Free Zone. Undoubtedly, he would like to have much more accomplished and much more swiftly. He would also like to see much more done here in the United States. When one speaks with him about the problems they are confronting, he believes not much is being done here in the United States to close the possible gaps allowing money laundering. I am not surprised by his statements about how much remains to be done in Panama.

[Brannan] What about his comments that our country is not adopting measures to clean up its banking system, that it will become more and more difficult for the United States to continue supporting international financial activity through Panama? This statement could be interpreted as a subtle threat.

[Arias] Gelbard tends to speak in a threatening tone, but for a threat to have any effect, it needs to meet two criteria: One, the threat has to be made, and the other, the threat has to be tolerated. We in Panama have no intention whatsoever of allowing ourselves to be intimidated.

We are trying to control money laundering, and it must be understood that as various means of control are used, others continue to appear. It is a constant task, but we are determined to control money laundering as much as possible, for reasons strictly pertaining to us. Panama understands that this is critical for the stability of our economic and political system.

[Brannan] You agree, then, with Gelbard's statement, which he expressed several times during the interview, that Panama must do more not just to satisfy the United States but for our own protection?

[Arias] I fully agree with him on this point, and the president has said likewise. Panama is doing this not because the United States has requested it, ordered us, or threatened us. We are doing it because we are committed, because it is critical to us.

[Brannan] What would they like to see us do that we are not doing?

[Arias] I reiterate that this is a never ending struggle and that as certain money laundering mechanisms are being eliminated, others continue to appear. I believe, however, that as part of this process, Panama should be concerned about the financial stability of the banks established in the country and not having any weak banks, because these are the most likely candidates to serve as brokers for money laundering.

The practice of reporting cash transactions that have taken place throughout the financial system and the free zone must be improved, made more functional, and evaluation expertise must be continuously strengthened. Cash transactions are being carried out, but we must pressure for them to be reported as swiftly as possible.

[Brannan] As for the Colon Free Zone, what would it like for us to do that we are not already doing?

[Arias] We must record and report all cash transactions, implement more controls over goods entering the free zone. Goods entering the area are not subject to close inspection. In the free zone, there is cash contraband in addition to money and drugs entering in containers. More controls must be implemented on free zone activities.

As for corporations with stocks issued in the name of holders, the Perez Balladares administration has already passed a decree supported by the Bar Association that requires lawyers to be aware of who their clients are. The decree also stipulates that the lawyer is required to release information in drug trafficking or money laundering trials.

[Brannan] Does that seem sufficient to you?

[Arias] We have not had an opportunity to use it yet. There has not been a case yet requiring any lawyer to release information.

[Brannan] I would like to see certain reforms aimed at preventing Panama from being a magnet that attracts all sorts of horrendous individuals who travel to the country with the sole intention of setting up scores of stock corporations for illegal purposes.

[Arias] That is something that is not attained overnight, but I believe less and less of these cases are popping up. Why? Because measures are being implemented, and it is no longer easy to deposit funds in Panama. Panama no longer heads the list of Latin American countries where is was possible to launder funds, but we were at the top up until not so long ago.

[Brannan] Gelbard has said during the interview that the word "Panama" is used in Russia to refer to an invented or nonexistent corporation.

[Arias] And it was used in Europe for a long time. There is nothing new in that word; it is something that can be traced back 10 years, but if we look back just six years ago, we would see Cuban national Millan Rodriguez

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testifying before the Senate on how he transported crates loaded with money, protected by the Panama Defense Forces, and deposited it in the National Bank of Panama. Nevertheless, I would like you to know that the U.S. Government at the time was fully aware that a tremendous amount of money was being laundered in Panama.

[Brannan] You agree then with statements made by Gabriel Castro about the laundering of funds not originating from the jungle but, rather, from banks in the United States?

[Arias] That is the way it is. Two years ago, a money laundering operation was uncovered in Panama that consisted of postal money orders being sent by the U.S. Postal Service, which would issue money order drafts in series; therefore, the U.S. Postal Service itself was making it easy for money laundering operations. It has put a stop to it.

This is a continuous and constant exercise. Measures are also being adopted here in the United States. If they were to do more, we would also be able to do more. Nothing of this takes place overnight, not here or over there.

Panama: Foreign Ministry Denies Minister's Resignation

PA2704021896 Panama City EL UNIVERSAL DE PANAMA in Spanish 26 Apr 96 p A1

[FBIS Translated Text] Yesterday, the Foreign Ministry denied reports related to Foreign Minister Gabriel Lewis Galindo preparing to resign on account of health problems.

Information disclosed to EL UNIVERSAL DE PANAMA reports that Lewis Galindo is currently in the United States where he is receiving medical attention due to a pulmonary ailment.

Nevertheless, the Foreign Ministry announced that his condition is stable and that he would be returning to the country in 15 days.

Despite statements to the contrary by the Foreign Ministry, government sources pointed out that Lewis Galindo will be on a three month holiday, during which time he will be replaced by Ricardo Alberto Arias, currently Panamanian ambassador in the United States.

The same government source also disclosed that there is a likelihood that Arias will be appointed as head of the Foreign Ministry.

Panama: Foreign Ministry Reports on Galindo's Health

PA2604201296 Panama City Circuito RPC Television in Spanish 2300 GMT 25 Apr 96

[From the "RPC Television News" newscast]

[FBIS Translated Text] Amid speculations on the likely resignation by Foreign Relations Minister Gabriel Lewis Galindo for health reasons, the Panamanian Foreign Ministry, through its spokesman, Erich Rodriguez Auerbach, explained certain events:

[Begin Rodriguez recording] We have contacted Doctor Konstandino Kostarangos, who is a member of the medical team that has been treating Foreign Minister Lewis Galindo, and we can happily inform the nation that this afternoon, the minister will leave the Miami hospital where he is undergoing various tests and treatments for a lung ailment. This ailment has diminished his breathing ability. We hope that Lewis Galindo' convalescence period will end in 15 days. I can add that, thank God, we will have Foreign Minister Lewis Galindo for a long time. [end recording]

Panama: Colon Free Zone Users To Strike on 29 Apr

PA2704005596 Panama City Telemetro Television Network in Spanish 1730 GMT 26 Apr 96

[From the "Telemetro Reports" newscast]

[FBIS Translated Text] At the Colon Free Zone, its users have agreed to go on strike. Our correspondent in Colon Province, Malaquias Prado, has a report:

[Prado] At a special assembly, Colon Free Zone users agreed to go on a 24-hour strike on Monday, 29 April. After the strike, an assembly will be held on 30 April to evaluate its effects. According to tradesmen and businessmen, they have adopted this pressure tactic based on the critical situation the Free Zone is experiencing. Likewise, by general consensus, users agreed to formally forward to the government a 10-point document, with which they expect the Colon Free Zone to recover.

Panama: Colon Free Zone Leadership Deplores Users' Strike

PA2704035096 Panama City Circuito RPC Television in Spanish 2300 GMT 26 Apr 96

[From the "RPC Television News" newscast]

[FBIS Translated Text] The Colon Free Zone administration deplores the radical attitude that the Colon Free Zone Users Association has taken to summon a strike, along with the closing of roads accessing this free zone

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on Monday, 29 April. A note, which the Colon Free Zone administration issued, states the following: Our surprise stems from the fact that the public knows that the central government is willing to hold talks on the Colon Free Zone's reality. The note, which was signed by General Manager Victoria Figge, also states that with this attitude, the Users Association sends a message, which is not the most advisable one, to foreign investors. The president of the Republic and this administration have stressed that we are awaiting the study on competitiveness to revise the law on the Generalization of Tax Incentives, if necessary, the note adds.

In another paragraph, the note also indicates that the Colon Free Zone General Manager's Office informs all users that this institution and all its installation will remain open and will operate as usual to allow the continuity of international trade flow, to which this Free Zone is devoted.

Panama: Taiwanese Firm Head Announces Port Construction

PA2704203096 Panama City LA PRENSA in Spanish 26 Apr 96 p A1

[Report by Rolando Rodriguez B.]

[FBIS Translated Text] Young-Fa Chang, president of the Taiwanese corporation Evergreen, held a meeting with President Ernesto Perez Balladares yesterday to officially announce the beginning of the construction of the containers port at Coco Solo, Colon, at a cost of approximately $100 million.

A private ceremony, to which the press was denied access, was held, but a bulletin from the Interoceanic Region Authority (ARI) states that the project is promoted by the National Port Authority and the ARI itself.

Evergreen will begin the construction of the port in an area of 20 hectares, forcing the movement of some area residents to other areas. This project, which was negotiated during Perez Balladares' tour of the Far East in September of last year, has been valued at between $85 million and $100 million.

According to the ARI, between 200 and 300 Panamanians will be hired after the construction of the port concludes in July of 1997. It has been estimated that the port will generate $37.5 million in revenues to the state when the concession [concesion] ends.

The ARI has developed in the last few months a relocation program for families residing in the Coco Solo area who had to be relocated due to the construction of the port.

Up to now, the ARI has stated, a total of 121 families have accepted to move to housing areas at the former Forts Davis or Espinar, in Colon Province. Of this group, 95 families have already moved to their new homes, and 26 will move in the coming days.

Panama: Survey Reveals Opposition to Amnesty Bill Proposal

PA2604235196 Panama City LA PRENSA in Spanish 21 Apr 96 p 1A

[Report by Hermes Sucre Serrano]

[FBIS Translated Text] A recent poll conducted among 1,125 Panamanians by the Dichter & Neyra consulting firm revealed that the majority of the individuals interviewed are opposed to the Amnesty bill proposal that will be discussed shortly by the Legislative Assembly.

According to the poll, 68.4 percent of those interviewed are opposed to the Amnesty bill proposal, while 21.8 percent support it, and 14.8 percent had no comment on the issue.

The poll, which was conducted exclusively for LA PRENSA, is based on an random sample that included 1,215 individual interviews conducted with Panamanians 18 years and older, throughout the country.

The amnesty bill proposal is scheduled to be discussed by the full Legislative Assembly during the coming weeks and, according to legislator Balbina Herrera, president of the commission responsible for analyzing the document, amnesty will not be granted to individuals charged with crimes such as murder, torture, or human rights violations, among other crimes of the same nature.

Likewise, it was indicated that there are no recommendations to pardon individuals who have already been sentenced in relation to well-known crimes such as the murder of Dr. Hugo Spadafora and Father Hector Gallegos.

Recently, Herrera clarified that neither would former legislator Mario Miller, who is accused of extorting several well-known local businessmen, be included on the list of those to be granted an amnesty.

With respect to President Ernesto Perez Balladares' performance as head of the government, 51.3 percent responded that it has been adequate, 29.5 percent said inadequate, 11 percent said excellent, 7.4 percent said very poor, and 0.8 percent refrained from answering.

The survey, which carries a 3 percent margin of error, reveals that 75.8 percent of those individuals consulted believe that there is corruption within Ernesto Perez

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Balladares' government, while 21 percent believe there is none, and 12.1 chose not to answer.

With respect to Panama not receiving anything for the U.S. military bases after the year 2000, 48.9 percent of those interviewed agree with the bases remaining in the country, while 43.4 percent are opposed, and 7.7 abstained from answering. The Legislative Assembly has not yet arrived at a general agreement on the discussions of the amnesty bill project, which has been proposed on other occasions.

The initiative has even encountered strong opposition from the PRD [Revolutionary Democratic Party], especially because of the list of likely individuals who may benefit in case the project survives the various legislative stages.

The bill proposal has been one of the most controversial legislative initiatives, and together with consultations related to extending U.S. military presence in Panama beyond the year 2000, has also found its supporters and detractors.

Nearly 7,500 U.S. soldiers are scheduled to depart the military bases located along the banks of the Panama canal in accordance with the Torrijos-Carter Treaty signed between Panama and the United States in 1977.

However, on September 1995, President Ernesto Perez Balladares and his U.S. colleague Bill Clinton, announced in Washington the likelihood of conducting exploratory talks to assess the possibility of extending the presence of the U.S. Southern Command once the canal treaty had expired.

The announcement prompted harsh criticisms from the opposition that accused the Perez Balladares administration of "submissiveness," while supporters highlighted the likelihood of leasing the bases, a proposal which the United States instantly rejected.

In tomorrow's, Monday edition, LA PRENSA will publish the entire survey.

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Argentina

Argentina: Israel's Peres Thanks Menem for Peace Efforts

PY2804233296 Buenos Aires TELAM in Spanish 1859 GMT 28 Apr 96

[FBIS Translated Excerpt] Buenos Aires, 28 Apr (TELAM) — Israeli Prime Minister Shim'on Peres today thanked President Carlos Menem for his participation in the talks for achieving definitive peace in the Middle East and informed him in detail about the agreement achieved with the Lebanese guerrillas for suspending war actions.

Government sources confided that the Israeli prime minister called the Argentine president this morning.

During their talk, Peres thanked Menem for his unswerving concern with regard to finding a solution to the 20-year-old Middle East conflict, and especially for the contacts that he has been making during the past few weeks to achieve a cease-fire between the two sides.

Peres described as "very valuable" the Argentine president's contacts, not only with the Israeli authorities, but particularly with Lebanese Prime Minister Rafiq al-Hariri and Palestinian National Authority President Yasir 'Arafat. [passage on previously filed material omitted]

During their talk, Shim'on Peres supplied to the Argentine president a detailed report on the cease-fire achieved with the Lebanese guerrilla organization Hizballah on 26 April.

Peres also relayed to Menem details of the talks that he is holding with Middle East leaders to find a definitive agreement for securing the cease-fire.

A few hours ago, the Argentine Government received the Lebanese Government's recognition for its humanitarian aid and for its efforts in finding a peaceful solution for the conflictive zone. [passage on previously filed material omitted]

Argentina: Communique Lauds Israeli, Palestinian Stances

PY2704014996 Buenos Aires TELAM in Spanish 2312 GMT 26 Apr 96

[FBIS Translated Text] Buenos Aires, 26 Apr (TELAM) — It has been officially reported that Argentina today expressed its satisfaction at the peaceable attitude adopted by the Palestine National Council and the Israeli Labor Party Convention, which will enable the resumption of peace negotiations in the Middle East.

The Foreign Ministry issued a communique stating: "The Argentine Government is delighted at the Palestine National Council's decision to eliminate the articles of the National Covenant opposing the existence of the State of Israel because it constitutes an event that will make it possible for both parties to resume peace negotiations in the region."

The official communique declared: "In an attitude that bears close resemblance to the foregoing, the Israeli Labor Party Convention decided to withdraw from its electoral platform the objections to the creation of a Palestinian State."

The Foreign Ministry communique underscored, moreover, that "both resolutions have been adopted by representatives of vast popular sectors, both Israelis and Palestinians, which underlines the fact that the willingness to attain peace is, more than ever, firmly rooted in both communities."

The Argentine Government deemed that the attitude adopted by Israel and the Palestinian National Authority constitutes "a victory for tolerance," adding that "this was possible thanks to the maturity attained by both peoples following many long years of painful confrontation."

Argentina: Menem Views Integration Prospects With Chile

PY2904033596 Buenos Aires TELAM in Spanish 1036 GMT 26 Apr 96

[FBIS Translated Text] Buenos Aires, 26 Apr (TELAM) — During a dinner hosted for his Chilean counterpart, Eduardo Frei, President Carlos Menem last night emphasized that integration with Chile "is at a point of no return."

During the dinner hosted at the Alvear Palace Hotel, Menem said: "Integration between Argentina and Chile already represents a reality, but it merely represents the beginning of a larger project. It is at a point of no return." Chilean delegation members and Argentine officials and special guests participated in the dinner.

Menem emphasized: "Never before have we had such broad cooperation prospects. We are achieving a common project of a magnitude similar to that of the Southern Cone project that we are currently developing [in reference to the Mercosur — Common Market of the South]."

Menem indicated: "Our nations are sufficiently aware of an unavoidable common destiny."

Menem pointed out: "We, Argentines, have always been zealous of our sovereignty, but now we are

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broader minded and the two countries are sharing a view involving the two oceans, as partners in a great integration project."

The Argentine president emphasized: "We are viewing the Andes as a challenge for transforming these mountains into a border free of past resentments."

Frei emphasized his "joy" and "satisfaction" over the reception that he received in Argentina. He recounted that Menem "was among the first ones who supported the 1984 "Peace and Friendship Treaty" that ended the Beagle Channel border conflict.

The Chilean president noted that "now comes a second stage" in the bilateral relations," involving "the enhancement of achievements." He added: "Now it is time to establish new targets and goals for enhancing the agreements."

Vice President Carlos Ruckauf, Chief of Cabinet Jorge Rodriguez, Argentine Foreign Minister Guido Di Tella, Chilean Foreign Minister Jose Miguel Insulza, Chilean Ambassador to Argentina Eduardo Rodriguez Guaraschi, and Argentine Ambassador to Chile Eduardo Iglesias participated in the dinner.

Economy Minister Domingo Cavallo; Defense Minister Oscar Camilion; Justice Minister Rodolfo Barra; Labor Minister Armando Caro Figueroa; Presidential Secretary General Alberto Kohan; Social Development Secretary Eduardo Amadeo; and Felipe Sola, agriculture, fishing, and food secretary, also participated in the dinner.

Senator Eduardo Menem; Senator Antonio Cafiero; Senator Augusto Alasino; Deputy Antonio Erman Gonzalez; Deputy Federico Storani; Deputy Marcelo Stubrin; Buenos Aires Governor Eduardo Duhalde; La Rioja Governor Angel Maza; Mendoza Governor Arturo Lafalla; Rio Negro Governor Pablo Verani; Lieutenant General Mario Candido Diaz, the joint chief of staff; Admiral Enrique Molina Pico, the Navy chief of staff; Brigadier General Juan Paulik, the Air Force chief of staff; and Federal Police Chief Superintendent Adrian Pelacchi, among others, were also invited to the dinner.

Argentina: Chile's Frei Views 'Possible' Mercosur Entry

PY2904012096 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1441 GMT 26 Apr 96

[FBIS Translated Text] Buenos Aires, 26 Apr (NA) — Chilean President Eduardo Frei paid a protocol visit to the Supreme Court this morning, before going to the Olivos residence to meet again with President Carlos Menem.

The Chilean president met all the Supreme Court justices, headed by Supreme Court president Julio Nazareno. Justice Carlos Fayt alone was absent.

During the meeting between Frei and the Supreme Court justices, they discussed Chile's entry into the Mercosur [Common Market of the South], among other issues. Frei described as "a possible event" Chile's entry into Mercosur.

Frei and the Supreme Court justices also discussed the entry of Chilean capital in the hydroelectric area and — recently — the wine industry. They also reviewed the settlement of the historic border conflicts involving the two countries.

At the end of their meeting, Supreme Court President Nazareno gave the visiting president a memento of his visit to the Supreme Court.

Upon arriving at and leaving the Supreme Court building, Frei reviewed a military guard in his honor at Talcahuano Street, outside the Courthouse front door.

Argentina: Menem, Chile's Frei Sign Joint Declaration

PY2604222996 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1704 GMT 26 Apr 96

[FBIS Translated Text] Buenos Aires, 26 Apr (NA) — Argentine President Carlos Menem and Chilean President Eduardo Frei today urged legislators in their respective countries "to find a definitive solution to the dispute over the Continental Glaciers" by approving the agreement signed on 2 August 1991.

This remark is part of a joint declaration signed at the Olivos Residence at the end of a meeting of officials from the two countries.

On the occasion, the two countries' representatives signed a number of agreements, among which we can outline the one on cooperation in the area of health, the social security agreement, and an agreement for the suspension of the legalization of permits and authorizations for the travel of minors.

Menem and Frei stressed that the Mercosur [Common Market of the South]-Chile agreement will be a decisive step toward the consolidation of the process of regional integration through the efficient use of productive elements and the improvement of physical infrastructure, which will make possible equitable social and economic development, permitting a greater well-being of our peoples.

In the lengthy declaration, the presidents said that they perceive "with satisfaction that out of 24 pending border

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questions that existed 10 years ago, only one still remains to be definitively overcome."

The presidents accordingly alluded to the conflict over the Continental Glaciers that will be definitively solved when the congresses of both countries approve the agreement signed between Menem and Patricio Aylwin in August 1991.

Frei and Menem stated "that they viewed with great concern the grave political and institutional events, which fortunately have already been overcome, that affected the sister Republic of Paraguay."

In this regard, the presidents confirmed "their decision to support the democratic system, respect for human rights, and the authority of elected officials according to mechanisms juridically established in that country."

The declaration also points out that "the full implementation of the state of law is a prior and indispensable condition for the continuity and positive conclusion of integration processes currently being implemented in the Southern Cone."

The presidents praised the bilateral tasks carried out by the two countries' foreign ministers and expressed their satisfaction at the agreements concluded on various subjects of special interest for the two countries' economic relations."

"These agreements will contribute to a prompt conclusion of current negotiations on an economic complementation agreement between Chile and Mercosur," the presidents said before going to lunch at the Sheraton Hotel, in the neighborhood of Retiro.

At the same time, the governors of the provinces of Chubut, Jujuy, La Rioja, Mendoza, Neuquen, Rio Negro, Salta, San Juan, and Tierra del Fuego had a meeting with four Chilean intendants.

Officials at this meeting analyzed the project to build a trans- Andean railway, a bi-oceanic corridor (between Comodoro Rivadavia and Parque Chacabuco), mining cooperation, and the situation of the various border passes.

Argentina: Declaration With Chile Emphasizes Integration

PY2704035796 Buenos Aires TELAM in Spanish 1904 GMT 26 Apr 96

[FBIS Translated Excerpt] Buenos Aires, 26 Apr (TELAM) — Argentine President Carlos Menem and Chilean President Eduardo Frei reaffirmed their commitment to bilateral integration and hailed the steps taken toward the physical linking of the two countries through the various border passes, such as the Pircas Negras in La Rioja Province.

The presidents stated that they were "pleased" with the commitment to invest at least $300 million over the next five years to make the twelve passes that have been assigned priority under the General Master Plan for Border Passes accessible year round. [passage on previously covered material omitted]

The two heads of state "reaffirmed their commitment to the concept of regional security" based on "mutual confidence, with a view to cooperation and integration."

In this connection, the two presidents emphasized the role of the Regional Conference for the Fostering of Mutual Trust in Chile in 1995, and the Continental Defense Ministers' Meeting that will take place in Bariloche in October 1996.

Frei reasserted his country's support for "Argentina's claims over the Malvinas, South Georgias, and South Sandwich Islands, and the territorial sea around them."

The Chilean president also indicated that he was "convinced" that the current status of Argentine-UK bilateral relations — which he labeled as "positive' — will help "in finding a peaceful solution to the protracted sovereignty dispute," in keeping with UN and OAS resolutions.

Thus, Frei said that he "supports" the desire of all the countries of the hemisphere "to attain fair and lasting solutions to the sovereignty disputes" involving their territories.

Menem and Frei confirmed that the "Convention on the Conservation of Antarctic Marine Living Resources is fully in force," and made clear their "opposition to any measures that may violate the principles and regulations" of this convention.

The two presidents underscored the joint declaration that the deputy foreign ministers of the two countries issued in Santiago in March 1996 stating that Great Britain does not have any rights to levy taxes or issue regulations other than those stipulated in the above-mentioned convention in the area surrounding the South Georgias Islands.

Menem and Frei reaffirmed their desire to work together so as to ensure strict compliance with the convention, and indicated that they were confident "that a permanent secretariat of the Antarctic Treaty will be established soon, and that its headquarters will be in Buenos Aires." [passage on previously covered material omitted]

Several paragraphs of the joint declaration focused on border integration, and emphasized the progress toward

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the signing of an agreement on joint border checkpoints, because this system would "effectively expedite" the crossing of the border.

The declaration stated that at Menem's request, the Chilean president has decided to open the Pircas Negras pass in La Rioja Province, which implies taking measures to provide the infrastructure on the Chilean side. The appropriate "animal and plant health controls" will be implemented strictly at this new pass.

As far as bilateral economic cooperation is concerned, the two presidents stressed the progress attained, and noted "with satisfaction the significant increase of the flow of investments between the two countries," and urged Chilean and Argentine companies to keep it up.

Menem and Frei also voiced their satisfaction over a variety of economic agreements in the understanding that this will help "wrap up the negotiations aimed at reaching an economic complementation agreement between Chile and the Mercosur [Common Market of the South]."

Both heads of state concurred that this agreement "will be a decisive mechanism" for the shoring up of regional integration by effectively using productive sectors, promoting mutual investments, and improving physical infrastructure.

The two presidents concluded by underscoring the achievements in terms of mining integration and proposed to submit within 45 days the bases for a bilateral treaty. They emphasized the cultural agreements signed, reiterated their commitment to drug enforcement, and concurred to sign agreements on air transportation.

Argentina: Menem-Frei Declaration on Bilateral Ties Issued

PY2704000296 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1950 GMT 26 Apr 96

[FBIS Translated Text] Buenos Aires, 26 Apr (NA) — Chilean President Eduardo Frei, and his Argentine counterpart Carlos Menem, today stated their "satisfaction over the progress made in the quest for a definitive solution to the conflict between Ecuador and Peru."

Frei and Menem also emphasized "the significant multilateral role that" the International Volunteer Corps Against Hunger (White Helmets) are playing, because they felt that "it was the proper mechanism to fight this scourge."

Both presidents set forth their positions in the joint declaration that they signed at the Olivos Presidential Residence. Argentine and Chilean Government officials attended the ceremony.

The two heads of state also promised to "increase mutual cooperation for the prevention and repression of the drug trade, and unlawful use of narcotics." It was reported that the presidents also decided to establish a joint commission to study the issue.

The lengthy joint declaration also stated: "The two presidents indicated that they were satisfied with the accomplishments of the ministerial conference on money laundering and other criminal mechanisms, within the framework of the Ibero-American Summit in Bariloche, Argentina, in December 1995."

The presidents also agreed to launch negotiations "for an agreement on air transportation that would include cargo flights. The objective of this agreement would be to create mechanisms that would ensure fair and equitable participation in the passenger and cargo market, and to foster the development of trade and of related companies of both countries."

Argentina: Chile's Frei Downplays Pinochet's Retirement

PY2704013696 Buenos Aires TELAM in Spanish 1954 GMT 26 Apr 96

[FBIS Translated Text] Buenos Aires, 26 Apr (TELAM) — Chilean President Eduardo Frei on 26 April categorically denied that the retirement of Chilean Army Commander General Augusto Pinochet in 1997 could prompt a situation similar to what happened in Paraguay recently.

"Absolutely not," was Frei's answer when he was asked whether Gen. Pinochet's retirement in 1997 could generate a situation similar to what happened in Paraguay because of General Lino Oviedo's retirement.

The Chilean president recalled that in 1995 "I appointed the new Air Force commander and a new Carabineros director general," adding that "the terms in office of the commanders of the Army and the Navy will end next year, which means that I will appoint two new branch commanders in keeping with the Constitution. That is all there is to it."

Frei made these remarks during a news conference which he held at noon on 26 April together with Argentine President Carlos Menem at the Olivos Presidential Residence, after signing several bilateral agreements and a joint declaration in which the two heads of state voiced their "concern over the serious developments" in Paraguay.

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Argentina: Chile's Frei Views Agreements, Ends Visit

PY2904012196 Buenos Aires TELAM in Spanish 1410 GMT 27 Apr 96

[FBIS Translated Text] Buenos Aires, 27 Apr (TELAM) — Chilean President Eduardo Frei emphasized today his "extraordinarily positive" visit to Argentina and underscored the headway achieved in the integration of the two countries.

In making brief remarks at the Military Base in Jorge Newbery metropolitan airport, before leaving for Santiago de Chile, Frei said: "The tour has been extraordinarily positive and important. We have enhanced the relationship between Chile and Argentina."

The Chilean president ended a four-day visit to Argentina today. During his visit, Frei met President Carlos Menem, with whom he signed various bilateral agreements, and participated in various ceremonies.

We, Argentina and Chile, "will solve all pending conflicts and revive our relationship, which indicates that we are working with an eye to the future," Frei said. He added: "This relationship involves progress and development."

Frei emphasized that Chile "will enter the Mercosur [Common Market of the South] within the next few months." He confirmed: "This was a very important visit, with many landmarks, despite the fact that some people want to make ugly comparisons."

The Chilean president recounted the meetings between Argentine governors and Chilean intendants, and "the entrepreneurial meeting, at which more than 500 entrepreneurs from Chile and Argentina were present." He emphasized that these meetings represent evidence that "we are making headway in the integration efforts."

In addition, the Chilean president emphasized: "We are giving a great example of the way to enhance a relationship between two countries that have a border stretching more than 5,000 kilometers."

Frei left shortly after 0930 [1230 GMT] today from the Military Base of the metropolitan airport. Foreign Minister Guido Di Tella; Vice Foreign Minister Fernando Petrella: and Lieutenant General Mario Candido Diaz, the joint chief of staff, bade him farewell.

During the brief farewell ceremony, the Grenadiers corps band played the tango "Ultimo Cafe," the Argentine and Chilean national anthems, and the cueca [typical Chilean folkloric music] "Las Dos Puntas."

Argentina: Di Tella Sees 'New Dynamics' in Ties With Chile

PY2904014996 Buenos Aires TELAM in Spanish 1511 GMT 27 Apr 96

[FBIS Translated Text] Buenos Aires, 27 Apr (TELAM) — Foreign Minister Guido Di Tella emphasized today that Chilean President Eduardo Frei's visit to Argentina has been "extremely positive" and that it has exposed the headway achieved in bilateral relations.

Di Tella emphasized that Frei's visit "has been extremely positive." Di Tella noted that Argentina and Chile "have been reconstructing their relationship for many years." He emphasized: "This visit exposed this effort and instilled new dynamics."

The foreign minister made these remarks after participating in a brief farewell ceremony for the Chilean president at the Jorge Newbery Metropolitan Airport. Vice Foreign Minister Fernando Petrella and Lieutenant General Mario Candido Diaz, the joint chief of staff, participated in the ceremony.

Di Tella emphasized "the discussions on Chile's integration into the Mercosur [Common Market of the South], an issue that will be reviewed on 25 June at an expanded Mercosur meeting, where we hope to again meet President Frei.

The foreign minister noted: "It will be a very important meeting, with economic and political significance. The Mercosur's expansion will give this meeting a special significance."

Asked about the progress achieved on the issue involving border demarcation in the Continental Glaciers area, Di Tella emphasized: "It was very positive, and we are very confident that we will achieve a solution."

Di Tella added: "This decision relies on the congresses of the two countries. Incidentally, by bringing very distinguished congressmen with him, Frei has permitted the holding of meetings and the exchange of opinions."

Di Tella also emphasized that "the two countries are making huge investments to improve the border passes." He reported: "A main pass is under review and there are various optional projects."

The foreign minister emphasized that the age-old situation prevailing between Chile and Argentina, "which used to be two contries that had been turning their backs to each other, has actually been totally overcome."

The Chilean president left for Santiago this morning, ending a four-day visit to Argentina. During his visit, Frei met Menem, with whom he also signed various bilateral agreements.

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Brazil

Brazil: Dornelles Appointed Industry, Commerce Minister

PY2704000896 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 26 Apr 96

[FBIS Translated Text] Presidential Spokesman Sergio Amaral today confirmed that Deputy Francisco Dornelles, from the Brazilian Progressive Party-Rio de Janeiro, has been appointed industry and commerce minister, replacing Dorothea Werneck.

He added that President Fernando Henrique Cardoso last night visited Dorothea Werneck in her apartment to demonstrate his appreciation for her and his distress about the situation caused by the leakage of information regarding the cabinet reshuffle.

The presidential spokesman confirmed that Dorothea Werneck will leave the government. Amaral added that the president will support Werneck in any post she may request in the administration.

Brazil: Businessmen 'Not Pleased' With Appointment

PY2704033496 Sao Paulo AGENCIA ESTADO in Portuguese 2303 GMT 26 Apr 96

[Report by Isabel Dias de Aguiar]

[FBIS Translated Text] Sao Paulo, 26 Apr (AE) — Industrial representatives were not pleased with the appointment of Deputy Francisco Dornelles (PPB-RJ) [Brazilian Progressive Party-Rio de Janeiro] as minister of industry, commerce, and tourism (MICT). In their opinion, Dornelles is in no way acquainted with issues concerning the productive sector, and his having previously held an office in the administration is no guarantee that he will perform well in this office.

This is one reason why business executive Guilherme Quintanilha de Almeida believes Dornelles' term in office will be hectic. De Almeida believes that, because Dornelles will make every effort to excel in the administration, he is likely to create many conflicts, especially with officials of the finance and planning ministries. He added: "It has become crystal clear that economic development is not a priority for the administration."

Mario Bernardini, vice president of the Sao Paulo State Industries Center (CIESP), believes that the administration had to pay a pending debt. He was thus referring to a debt stemming from a promise made [to the PPB] in exchange for votes cast for the approval of the social security reform bill. He said: "That promise was almost like an invoice." Bernardini added: "Dornelles will be out of place at that ministry."

Adauto Pousa Ponte, vice president of the Union of Industrial Foundries, regards the administration's decision to replace Dorothea Werneck with Dornelles as proof of the fact that the industrial sector has no political strength.

Nelson Freire, president of the Brazilian Electro-Electronic Industry Association [ABINEE], contends that Werneck was removed from the MICT because she lacked political support. The MICT's lack of influence has forced business executives to wander through seven other ministries whenever they want to supply information or to lodge their claims with the administration. De Almeida believes the MICT is not really necessary. All industry and trade matters require the approval of the finance and planning ministers. De Almeida added: "I see no reason why we should maintain that ministry."

Brazil: Mercosur 'Political Pact' Role Seen in Paraguay

PY2704030396 Rio de Janeiro O GLOBO in Portuguese 24 Apr 96 p 22

[From the "Economic Outlook" column by Miriam Leitao: "Our Interference"]

[FBIS Translated Text] When the Brazilian Government was informed that [Paraguayan] General Lino Oviedo had reconsidered his planned military uprising, Brazilian Acting Foreign Minister Sebastiago do Rego Barros was already flying to Asuncion. By then, it became clear, too, that the old Itamaraty [Brazilian Foreign Ministry] principle of "noninterference in the domestic affairs of other countries" was completely dead and buried. Brazil does interfere when democratic order is at stake. Mercosur [Common Market of the South] has now earned the status of a political pact.

If the change in Brazilian foreign policy had not become quite clear at the time of the coup led by Peruvian President Alberto Fujimori, there can no longer be any doubt after the Paraguayan military crisis. Itamaraty already issued a statement on the evening of 22 April, using unusually strong words, noting that it would not accept the disruption of institutional order in Paraguay.

A meeting by President Fernando Henrique Cardoso with the military ministers, Itamaraty diplomats, and the strategic affairs secretary in his office yesterday was conclusive. At that meeeting, it was stated that the reason for Brazilian interference in affairs that may ostensibly seem to concern Paraguayans alone is that democracy is the lifeline of the Mercosur economic bloc. Mercosur will only survive as long as democratic order prevails in all four of its member countries.

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The latest issue of the LATIN AMERICAN INTEGRATION BULLETIN, which was just published, carries an article written by Do Rego Barros, in which he reaches the conclusion that "just as the redemocratization process helped promote integration, it will be necessary to strengthen democracy in the region to continue and to further integration. Without democracy, there will be no integration."

Putting his words into action, Do Rego Barros went to Asuncion, where, in the company of the foreign ministers of the other member countries, he made it clear that dictatorships will not be tolerated within Mercosur. A diplomat said: "That was the way we found to make our presence felt there and to openly endorse the idea that Paraguay should now respond not only to its domestic interests, but also to those of the Mercosur bloc."

The bloc, which was initially one entailing a common external tariff, has solidified and has boosted trade among the four member countries. Yesterday, however, in the face of a risk of revisiting old practices in the region, the bloc has proven to be more valuable than expected: It has already become a pact designed to defend institutional order.

Brazil: Cardoso Praises U.S. Role in Mideast Cease-Fire

PY2704033196 Sao Paulo AGENCIA ESTADO in Portuguese 2345 GMT 26 Apr 96

[Report by Aldo Renato Soares]

[FBIS Translated Text] Brasilia, 26 Apr (AE) — President Fernando Henrique Cardoso today sent messages to the presidents of the United States, France, Israel, Lebanon, and Syria to congratulate them for their decisive role in the negotiations that concluded with a cease-fire between Lebanon and Israel.

Cardoso noted that Brazil has the world's largest community of Lebanese immigrants and that it is an example of peaceful coexistence between Arab and Jewish communities. He conveys his sincere hope "that the agreement will put an end to the heavy burden of hardships imposed on innocent civilians and that it will represent a decisive step toward building a just, comprehensive, and durable peace in the Middle East to guarantee each people in the region the right to live in peace within internationally recognized borders."

Acting Foreign Minister Sebastiao do Rego Barros also sent similar messages to his colleagues of the United States, France, Israel, Lebanon, and Syria.

Brazil: 'Indiscriminate' Israeli Attacks Criticized

PY2604121996 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 26 Apr 96

[FBIS Translated Text] The Israeli Government has the right to self-defense, but the exercise of this right may not degenerate into massive, indiscriminate attacks against civilian centers.

This statement was made by Celso Amorim, Brazilian ambassador to the United Nations, during a special meeting to debate the Middle East situation, which has been aggravated by successive Israeli attacks on the Lebanese civilian population.

Amorim said the Brazilian Government is strongly concerned over the resurgence of hostilities in the Middle East, and deeply laments the efforts to reach lasting peace are being frustrated by violent actions.

Brazil: Roundup of Economic Reports Through 26 Apr

PY2604151896

[FBIS Report] The following is a compilation of reports on economic activities in Brazil monitored through 26 April.

BASIC LEADING INDICATORS

Domestic Handgun Market — The Brazilian handgun market has shrunk from 180,000 units in the 1980's to about 150,000 units. (Sao Paulo O ESTADO DE SAO PAULO in Portuguese 21 Apr 96 p B15)

Unemployment in Greater Sao Paulo — The unemployment rate in Greater Sao Paulo reached its highest level in March since the implementation of the Real Plan: 1.2 million unemployed workers, some 15 percent of the working population. The Rio de Janeiro State Federation of Industries also reported employment in the industrial sector of the state reached its lowest level in seven years. (Rio de Janeiro O GLOBO in Portuguese 23 Apr 96 p 1)

Record Aluminum Demand — The Brazilian Aluminum Association reports that domestic demand for aluminum was a record 503,000 tonnes in 1995. This is 8 percent higher than in 1994, which stood at 466,000 tonnes. (Sao Paulo GAZETA MERCANTIL in Portuguese 22 Apr 96 p C8)

Sao Paulo Industry Grows — In the first quarter of 1996, Sao Paulo industry grew by 8.1 percent compared with the same period in 1995. In March 1996, however, industrial activities dropped by 8 percent compared with March 1995. The index reflecting the installed capacity stood at 75.1 percent in January, 75.2 percent

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in February, and 76.3 percent in March. (Rio de Janeiro O GLOBO in Portuguese 25 Apr 96 p 27)

Productivity of Iron and Steel Industry — The Brazilian Iron and Steel Institute reports that productivity of the Brazilian iron and steel industry ranks 10th among the world's 11 largest steel producers. Brazilian productivity is eight man/hours per tonne, compared to the international average of five man/hours per tonne. In 1995, the iron and steel sector made a profit of R829 million reals compared with R1.024 billion in 1994. In the first quarter of 1996, steel production stood at 6.053 million tonnes, down 2.3 percent on the last quarter of 1995, and 3.5 percent down on the same period in 1995. (Sao Paulo AGENCIA ESTADO in Portuguese 1826 GMT 24 Apr 96)

FINANCIAL OPERATIONS

Eletrobras Registers Deficit — The Brazilian Electric Power Company, Inc., Eletrobras, registered a deficit of R2.16 billion in 1995, compared to a R455.7 million profit in 1994. This was caused by unpaid debts of Sao Paulo concessionaires and by a freeze on rates until the fourth quarter of 1995. (Sao Paulo AGENCIA ESTADO in Portuguese 0014 GMT 20 Apr 96)

Portuguese Entrepreneurs Close Deals — Portuguese Economy Minister Augusto Mateus has said the 50 entrepreneurs accompanying Portuguese Prime Minister Antonio Guterres on his visit to Brazil already closed deals worth over $65 million. The minister said this surpasses everything in the past five years. Jose Mauricio Fernandes Salgueiro, president of Portugal's General Deposit Fund, announced that his institution will open three branches in Brazil. (Sao Paulo GAZETA MERCANTIL in Portuguese 18 Apr 96 p A4)

Entrepreneurial Merges — A survey by the Dom Cabral Foundation shows 245 entrepreneurial merges and transfers were made in Brazil between 1993 and 1995. Of these, 29 occurred in the chemical and petrochemical sector, 27 in the metallurgy sector, 23 in the informatics and telecommunication sector, 21 in the car parts sector, and 18 in the food sector. Domestic enterprises accounted for 72.65 percent of the operations, while multinationals accounted for 19.8 percent of the operations. (Sao Paulo O ESTADO DE SAO PAULO in Portuguese 23 Apr 96 p B4)

Brazilian-Portuguese Joint Venture — Portugal's Sonae Investimentos and Risfomento, and Brazil's Brascan group formed a joint venture to produce plywood and chipboard for the furniture industry and for civil construction. The joint venture will build a $100 million plant in southern Brazil, which will start operating in 12 months. Production will be 355,000 cubic meters of wood products. The joint venture's R60 million capital is allocated as follows: Sonae, 58 percent, Brascan 30 percent, and Risfomento 12 percent. (Sao Paulo GAZETA MERCANTIL in Portuguese 22 Apr 96 p A5)

FISCAL, MONETARY ISSUES

Treasury Deficit — Treasury Secretary Murilo Portugal on 19 April reported that in the first quarter of 1996 the Treasury registered a deficit of R5.34 billion. This compared with R1.2 billion in the first quarter in 1995 and to a total of R3.9 billion deficit in 1995. In the first quarter of 1996, the primary surplus reached R2.7 billion, but domestic debt expenses amounted to R4.4 billion. In March, Treasury revenues amounted to R10.09 billion — 26 percent up on the previous month — while the Treasury deficit reached R1.6 billion. (Sao Paulo O ESTADO DE SAO PAULO in Portuguese 20 Apr 96 p 1)

Dollar Value Increases — The Central Bank on 19 April ordered the second exchange rate adjustment of the month, this time 0.20 percent. In a currency auction, the Central Bank paid R0.991 per dollar, selling each dollar at R0.996. The Central Bank thus established new exchange band limits. So far in April, the accumulated exchange variation was 0.30 percent. (Sao Paulo AGENCIA ESTADO in Portuguese 0027 GMT 19 Apr 96)

Money Supply Reduced — The money supply reached R18 billion in March, 2.4 percent less than in February. The money supply dropped because, during the month, the Central Bank sold bonds worth R1.953 billion. The money supply also reacted to the R231 million deficit of the National Treasury. The money supply is within the limits — R17 billion and R19.9 billion — which the National Monetary Council scheduled for the first quarter. (Sao Paulo O ESTADO DE SAO PAULO in Portuguese 19 Apr 96 p B6)

Loan for Federal Savings Bank — The Central Bank will grant the Federal Savings Bank, CEF, a R1.6-billion loan within the Program to Encourage the Reorganization and Strengthening of the National Financial System, Proer. CEF will use the loan to purchase the real estate credit portfolio of the Economico Bank. (Sao Paulo O ESTADO DE SAO PAULO in Portuguese 25 Apr 96 p B3)

PRIVATIZATION

Privatization of Mining Area in Bahia — The Bahia Mining Research Company will publish on 26 April a document calling offers for the privatization of the exploitation of gold, copper, lead, and zinc in a 45,000-

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hectare area in Contendas do Sincora, in southern Bahia State. The area includes seven counties. Enterprises should submit their proposals before 20 June. Interested multinational companies must have at least one branch in Brazil. The winner will have three years to prospect and research the area. If deposits are found, the enterprise will be entitled to exploiting it, or part of it, for 20 years. (Sao Paulo GAZETA MERCANTIL in Portuguese 18 Apr 96 p B1)

Colombia

Colombia: Supreme Court Urges Attorney General Suspension

PA2704014096 Santa Fe de Bogota Radio Cadena Nacional in Spanish 2330 GMT 26 Apr 96

[Report by Reyner Beleno; from the "Latest News" newscast]

[FBIS Translated Text] The Supreme Court asked Congress today to suspend Attorney General Orlando Vasquez Velasquez from his post. It is an unprecedented decision in Colombia's history.

The Supreme Court, however, will make the announcement on Monday or Tuesday of next week as Radio Cadena Nacional previously reported. The decision has already been made. The only thing that remains to be done is to make it official. The Supreme Court has just asked the Congress, specifically the Senate, to suspend Attorney General Orlando Vasquez Velasquez from his post. Congress was the one that appointed Vasquez Velasquez. The full chamber of the Supreme Court, which comprises 20 justices, found that the Attorney General had committed a serious mistake when he conducted a disciplinary process against Prosecutor General Alfonso Valdivieso Sarmiento.

The attorney general must now respond to the Attorney General's Office for accusations he leveled against Valdivieso Sarmiento, who according to the attorney general, signed certain contracts when he was education minister. According to one of these contracts, Valdivieso Sarmiento gave away a plot of land to the Liga de Nueva Vida Foundation.

Justice Jose Roberto Herrera Vergara, president of the Supreme Court, applied Article 115 of the Single Disciplinary Code, which stipulates the suspension of public officials for three months, extendible for another three months. The final decision is up to the institution that made the appointment.

I repeat, the institution that appointed Attorney General Orlando Vasquez Velasquez is the Congress. That is why the Supreme Court cannot directly apply the measure.

We must also point out that Vasquez Velasquez suspended Hernan Jimenez Barrero, director of the Technical Investigation Corps for an alleged obstruction in the administration of justice. The decision was adopted after the director of the Technical Investigation Corps accused him here at the Supreme Court by submitting a complaint against Vasquez Velasquez for using false statements to incriminate Prosecutor General Alfonso Valdivieso Sarmiento.

The Supreme Court has opened a disciplinary investigation against Attorney General Vasquez Velasquez on 9 April and today it has filed a series of charges against him for committing an alleged unworthy act in the field of justice. [supuesta indignidad en acto propio de la justicia].

This is a last-minute decision, which Radio Cadena Nacional has just learned. I repeat, the Supreme Court will make it official with an announcement on Monday or Tuesday. The Supreme Court has asked Congress to suspend Attorney General Orlando Vasquez Velasquez.

Colombia: Senate Head on Move To Suspend Attorney General

PA2704011596 Santa Fe de Bogota Radio Cadena Nacional in Spanish 0015 GMT 27 Apr 96

[From the "Latest News" newscast]

[FBIS Translated Text] Senate President Julio Cesar Guerra Tulena on 26 April said that he was awaiting the Supreme Court of Justice's [CSJ] petition asking the Parliament to suspend Attorney General Orlando Vasquez Velasquez for three months. Guerra, who learned of the historical CSJ decision through Radio Cadena Nacional, pointed out that, due to the May Day festivities, the legislative branch will have no sessions next week. This is why the Senate in plenum will meet on Tuesday, 7 May.

I learned of this through the news segment that was broadcast from the CSJ, and indeed it is up to the Senate to examine the reasons that triggered the petition to suspend Vasquez, Congressman Guerra affirmed. The Liberal senator also said that, according to the only disciplinary code, the decision to suspend the attorney general must be immediately carried out and that this time, the Board of Directors [Mesa Directiva] Commission will make a preliminary analysis when the petition is forwarded to it on 29 or 30 April.

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Colombia: Samper Views Request for Attorney's Resignation

PA2704194296 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1715 GMT 27 Apr 96

[Report on an interview with President Ernesto Samper by Guillermo Rodriguez; place, date not given; from "The Midday Newscast" — recorded]

[FBIS Translated Text] President Ernesto Samper Pizano has asked for unselfishness in overcoming the crisis. He has commented on the attorney general and the Supreme Court. He has broached the topic of his resignation, the meetings in Madrid with the vice president and the national directorate of the Liberal Party, and the strikes, which, according to him, are politically motivated, just like the strike in Huila.

Colombia's Caracol Network has had contact with the president, who has commented on these issues for the first time. This is what the president had to say about the attorney general and the 90-day suspension ordered by the Supreme Court, which must now go before the Senate:

[Begin recording] [Samper] Regrettably, I am unaware of the text of the suspension the Supreme Court has requested, so I cannot give an opinion. I can only wait for this request to go through the proper institutional channels, and the Senate, the authority responsible for dealing with this matter, is to decide.

[Rodriguez] Does this detract much power from the president?

[Samper] The reply has to be yes if one looks at this issue as a confrontation of branches.

[Rodriguez] Is this something institutionally normal for the country?

[Samper] As I already said, I am not aware of the decision, but the Senate will have to make an institutional decision if the Supreme Court insists.

[Rodriguez] [Words indistinct]

[Samper] That is correct. The Liberal Party leadership has been holding a series of talks to reach an agreement. They had the opportunity to speak to me. Of course, I am not the person who is authorized to instruct them. They have full autonomy to develop their party leadership work. I understand that they are to hold a new series of contacts. They held a series of contacts right here. I believe this task is a highly positive one.

[Rodriguez] The vice president has said he is willing to hold talks with you. It would seem to a political observer as if you two were distanced or that you are political enemies.

[Samper] We have held talks on several occasions. I do not think this is news.

[Rodriguez] Are you still open to any solution, Mr. President?

[Samper] The president has been open this year to any constructive contribution, provided this is done unselfishly. I do not accept positions that are inspired by selfish motives; this is why I have been looking for and have been accepting dialogues and talks with various sectors representing the national public opinion.

[Rodriguez] Mr. President, is it true that all [words indistinct] for the vice president to take office? Or is this not true [words indistinct]?

[Samper] This is all part and parcel of the fact that each proposes the formula that suits him best. I believe this matter must be dealt with with a spirit of unselfishness. There can be no solution to the crisis unless there is some degree of sacrifice.

[Rodriguez] What do you say, for example, to the request by Antioquia businessmen that you resign?

[Samper] I interpret this request as one sector's position, obviously a political position. One cannot take into account ideas or positions when these are politically motivated.

[Rodriguez] [Words indistinct]

[Samper] Exactly. If I believed that resigning was going to resolve things, I would have decided that a long time ago.

[Rodriguez] What has been done to ensure the release of those whom the narco-mafia has kidnapped?

[Samper] I believe there is no crime worse than kidnapping. It is not just a person who is kidnapped; the family is kidnapped, tranquility of the atmosphere where the person lives, in general terms, the entire society. That is why we all need to unanimously reject this crime, which is causing a profound [word indistinct].

[Rodriguez] [Words indistinct]

[Samper] It is on the way to a solution but, rather, based on what the government has established. [end recording]

President Samper has said solutions will be possible provided everything is in order.

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Colombia: Vice President States Position on Crisis

PA2804050396 Santa Fe de Bogota EL TIEMPO in Spanish 27 Apr 96

[Received via Internet]

[FBIS Translated Text] Vice President Humberto de la Calle Lombana, current ambassador to Spain, yesterday said that he opposes the possibility of bringing forward the elections in Colombia as a solution to overcome the political crisis that currently prevails in the country. De la Calle added that he will only talk about holding a referendum when it is known what question the Colombian people will be asked.

De la Calle stated this in a letter addressed to National Liberal Directorate [DLN] members Emilio Lebolo, Luis Fernando Jaramillo, and Luis Guillermo Giraldo, who recently began a tour through various countries to talk with De la Calle and former Presidents Julio Cesar Turbay, Alfonso Lopez, and Cesar Gaviria.

In his letter, De la Calle reasserts that any proposed solution must abide by the Constitution. In any case, he said, he will not be the "commander of a civil war," given the polarization that currently prevails at national level.

Finally, he said that he will not resign from his post as some supporters have suggested.

The DLN members arrived at the Colombian Embassy in Spain and found a surprise: Vice President Humberto de la Calle's letter telling them: "My presence in Colombia is guaranteed provided it is necessary" and "I will not be the commander of a civil war."

After a two-hour meeting, the three DLN members came out to give their first statements of the evening, as well as the first clear ideas of the meeting in Spain: "The DLN agrees that the vice president should remain in Spain" and "Basic issues have been discussed."

"The DLN believes that the vice president should be in Spain, that it is best he maintain the discretion he has observed, and it applauds that conduct. The DLN believes the vice president should become the symbol of national unity and, as the lead player in a solution to the crisis, he should bring together and call upon the whole country. Therefore, it is better that he stay in Spain and remain discreet," Senator Luis Guillermo Giraldo said.

The DLN thus answered the letter from De la Calle, who said his "presence in Colombia is guaranteed provided it is necessary, but it will never serve to worsen our problems."

DLN President Emilio Lebolo was less direct about the "support" and, when asked if the vice president's presence in Colombia is necessary right now, he simply said: "The ambassador believes that his presence can be disruptive and he is waiting for a solution, with the participation of the different sectors in our society, that brings about a proposal, which he will study and accept without causing dissension."

However, this support to the ambassador's permanence in Spain was not the only agreement reached last night in Madrid. The DLN members and the vice president agreed on three other aspects: First, they oppose bringing forward the elections; second, they will not state their support or opposition to a consultation until they know what question the Colombian people will be asked; third, they reject the proposals for the vice president's resignation.

"The vice president agrees with the DLN on the fact that bringing the elections forward is not the solution to the crisis that prevails in the country," Giraldo said. Referring to the Senate president's request that De la Calle resign, he asserted: "This was flatly refused; his resignation is not the solution to the current situation."

The consultation was one of the issues most thoroughly analyzed by the Liberals. "There can be no statement in this concern because there can be no decision on this issue until we know what question the Colombian people will be asked. It would be a hasty and inappropriate action."

For the three Liberal members, the importance of this meeting is the vice president's inclusion in the solution to this crisis. "A new situation was created with the DLN's visit because the vice president could not remain on the sidelines. The Liberal Party cannot say he is on the sidelines of this problem because this is the first step toward a solution. The DLN considers him to be one of the solutions to the crisis, a leading player. The directorate wants to keep him as a permanent interlocutor," Giraldo asserted.

Meanwhile, Lebolo stated his satisfaction because "there is a positive rapprochement and, besides, the vice president's document coincides with the Liberal Party's proposal." However, Jaramillo has opted not to give statements while the meetings are under way.

Giraldo said that the DLN members believe the goal has been reached. "Basically, the topics we brought have been discussed with the vice president."

Therefore, the "European tour" follows now. Tomorrow they will travel to Italy and then the United States, to talk with former Presidents Julio Cesar Turbay Ayala and Cesar Gaviria about the agreements reached in Spain and De la Calle's position.

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During their tour, the Liberal trio will ask the vice president to state their position on the country's current situation. Giraldo said, "the former presidents must tell the country something because they have to live in such a critical situation, a deteriorated public order, and a guerrilla organization threatening more strikes."

The meeting held yesterday was shorter than the one on Thursday. The series of meetings, which are expected to extend through Sunday and to last from morning until night, was limited to two days.

A consensus was reached quicker than everyone expected. In fact, Giraldo even had time to shop at the Corte Ingles store.

Colombia: VP Says Solution Must Be Constitutional

PA2704020096 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 26 Apr 96

[From the "National Newscast"; monitored from retransmission by Lima Sistema Unido de Retransmision Television at 1910 GMT 26 April]

[FBIS Translated Text] Vice President Humberto de la Calle has just issued a statement regarding the efforts conducted by members of the Liberal Directorate in Spain to find a solution for the institutional crisis.

In a letter sent to Emilio Lebolo, Luis Fernando Jarmillo, and Luis Guillermo Giraldo, De la Calle reiterated that any solution must be based on the Constitution. He agreed with the need to find solutions for the crisis, but ruled out the possibility of returning to Colombia soon. His letter says that his presence in Colombia is guaranteed, if necessary, but that he will not command a civil war.

Colombia: Leading Businessmen To Urge Samper To Resign

PA2904033196 Madrid EFE in Spanish 2156 GMT 28 Apr 96

[FBIS Translated Text] Bogota, 28 Apr (EFE) — Representatives from Colombia's 15 leading business associations on Monday will tell President Ernesto Samper, who is granting them an audience, that "it is best for him to leave."

The decision to hold the meeting, which will be held at Narino Palace in Bogota, was made on 25 April by the self-styled National Business Council (CGN), which brings together the elite of the nation's productive sector.

"None of us is contemplating that the president should stay," said CGN sources, which informed the news media in the Colombian capital of the proposals that the business organization will make to the head of state.

The CNG assembles, among others, industrial, banking, financial, farming, and commercial associations.

It has been reported that the leaders will not present Samper with a definitive plan to overcome the serious institutional crisis he has faced for the past year due to complaints that his 1994 electoral campaign was financially infiltrated by the Cali cocaine cartel.

However, the CGN sources insisted that "the crux of the matter is that the president must not continue in his post."

The CGN decided at the last minute not to give the president a prepared document containing the organization's views regarding the crisis and possible solutions.

It had been decided on 23 April that Samper would be given the document and that it would be published.

Samper's meeting with the CGN business delegates is taking place just days after the powerful productive sector from northwestern Antioquia Department demanded his withdrawal. Antioquia's productive sector is the second to call for the president's withdrawal.

Earlier, a small group led by builder German Holguin from the southwestern Valle del Cauca Department, had called for a business strike to force Samper's resignation, but the initiative was not supported by the CGN.

In the Colombian capital, industrialist Hernan Echavarria Olozaga, leader of another group based in central Colombia, which called a meeting in Antioquia, told "EL ESPECTADOR" newspaper that the president should stop this foolishness and resign.

Samper's meeting with the CGN will coincide with the initial drafting — by the congressmen who are investigating his conduct in the "narcoscandal" — of the report that must be approved by the House of Representatives' Accusation Committee and subsequently by the congressional plenum.

Colombia: 3 Bombs Explode in Medellin on 24 Apr

PA2804025996 Santa Fe de Bogota EL TIEMPO in Spanish 26 Apr 96

[Received via Internet]

[FBIS Translated Text] Medellin — Three bombs that exploded in a police station and in two Porvenir pension and unemployment fund offices caused 20-million-pesos worth of damage on Wednesday night.

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According to the official report, the first explosive device blew up at around 2140 at the 6th Police Inspection Office, in the northwestern part of the city.

Three kilos of dynamite exploded there, shattering windows, damaging walls and the station's foundation, leaving 15-million-pesos in damages.

The other explosions took place at the offices of the Administrative Society of Pension and Unemployment Funds, Inc. (Porvenir).

The most adversely affected building was the branch office on 50th Street (Avenida Colombia). An explosive device like the one used at the police station, containing a pound of dynamite, blew up there.

The other explosive device went off at the main offices of the institution, located at Circle 2 (Circular 2), No. 74-94. According to Luz Elena Zapata, chief of general services of the regional office, the damage was minimal; windows were shattered, the sign outside was broken, and the roof near the area of services was a little damaged.

Colombia: FARC Raid Kills 4 Policemen in Caqueta

PA2604190696 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1700 GMT 26 Apr 96

[From the "Midday Newscast"]

[FBIS Translated Text] [Unidentified reporter] A bloody FARC [Revolutionary Armed Forces of Colombia] raid on San Jose de Fragua, Caqueta Department, resulted in the killing of four members of the Public Force and the wife of one of them, Rocio Calderon Montero.

We have San Jose del Fragua on the line. Captain Carlos Hernando Manrique, what can you tell us about the death of the wife of one of the officers and the raid?

[Manrique] She was killed during the guerrillas' raid in San Jose del Fragua.

[Reporter] What is the current situation of public order there?

[Manrique] Everything is normal and under control. Fortunately, we received reinforcements from nearby police stations, and the bandits were forced to leave. The clash lasted about four and a half hours.

Colombia: Grenade Attack Kills 1 in Town of Apartado

PA2804182696 Madrid EFE in Spanish 1542 GMT 28 Apr 96

[FBIS Translated Text] Medellin (Colombia), 28 Apr (EFE) — Medellin police authorities announced today that one person was killed and seven others, among them a leader of the dissolved Popular Liberation Army (EPL), were injured in an attack with grenades that took place in a tavern in the banana region town of Apartado.

The attack was aimed at regional Deputy Mario Agudelo Vasquez from the Hope, Peace, and Liberty Party (also of the EPL), a party which resulted from a peace agreement signed with the government several years ago.

According to the Medellin authorities, several individuals hurled fragmentation grenades at several people who were enjoying themselves in a public bar in Apartado, the largest town in the Colombian banana region of Uraba.

The explosion killed a 25-year-old woman identified as Maria Bernarda Lora Soto and injured seven, including politician Agudelo.

Two of the injured are in serious condition, according to the sources who added that the people who were attacked were EPL supporters.

The attack took place in an Apartado neighborhood where two other people were killed eight days ago, and several others were injured in an attack by unidentified individuals.

EPL supporters in Uraba, a conflict-ridden region in northwestern Colombia, have become the principal victims of paramilitary, self-defense, and guerrilla groups fighting for the political control of that part of the country.

Colombia: Traffickers' Documents Confiscated as Evidence

PA2704044096 Santa Fe de Bogota EL TIEMPO in Spanish 26 Apr 96

[Received via Internet]

[FBIS Translated Text] The Police has confiscated copies of deeds, front companies' records, payrolls of hundreds of employees whom the mafia uses as figureheads, and agendas listing the telephone numbers of major drug traffickers. With the seizure of important documents disclosing some of the illicit businesses of more than 20 accused drug traffickers of the Norte del Valle cartel, the second phase of "Operation Symbiosis" unfolded.

In the 50 raids conducted in the municipalities of Versalles, Toro, La Union, Roldanillo, Zarzal, La Paila, Sevilla, Bugalagrande, Andalucia, and Tulua, the Police found copies of deeds, front companies' records, payrolls of hundreds of employees whom the mafia uses as

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figureheads, and agendas listing the telephone numbers of major drug traffickers, who, in light of the persecution on the Cali cartel, decided to transfer their operations center to northern Valle Department.

According to one of the officers who participated in the raids to the accused drug traffickers' posh haciendas, "this is the beginning of an operation that must end with the confiscation of significant evidence that will allow the Prosecutor General's Office to issue arrest warrants against this criminal organization's members." Yesterday's first operational balance indicated that, in addition to the documents, the Police seized 12 firearms; searched 235 vehicles, 63 of which had tinted windows and were retained; confiscated 79 beepers, 74 cellular telephones, and 13 portable radios; and destroyed a clandestine landing strip.

Intelligence experts stated that "Operation Symbiosis," which started on 24 April with 50 raids in Cartago, is one of the major actions carried out to search for evidence against the covert drug trafficking leaders and their figureheads. That day, the Police also seized deeds and front companies' records; confiscated 121 cellular telephones, 87 beepers, 20 radios, and three firearms; retained 100 armored cars with tinted windows; and destroyed three clandestine landing strips.

Acting Police Chief General Luis Enrique Montenegro Rinco pointed out that, "in the last two years, these towns have enlarged their infrastructure, because one can see large shopping centers, office buildings, and an amount of businesses clearly indicating that large amounts of money have been invested." Montenegro also reported that drug traffickers "have been able to bribe some civilian authorities and certain members of state security bodies from this area of the country in an effort not to be bothered and be warned of any actions against them.

In the operation, which will end on 27 April, more than 1,000 men participated under the guidance of Search Bloc Commander Colonel Benjamin Guzman and with the support of six helicopters and 100 vehicles.

Colombia: Alleged Trafficker Arrested in Antidrug Move

PA2704205696 Madrid EFE in Spanish 1617 GMT 27 Apr 96

[FBIS Translated Text] Santa Fe de Bogota, 27 Apr (EFE) — Authorities fighting drug trafficking announced today that an alleged leader of the Northern Valle del Cauca cartel (southeast) was arrested during an antidrug operation carried out the past three days in Colombia in which two tons of cocaine were seized.

The so-called "Operation Symbiosis," which took place between 24 and 26 April, served to arrest Jose Ancizar Henao Montoya, brother-in-law of Ivan Urdinola Grajales, the alleged boss of the Northern Valle del Cauca cartel who is detained in a Santa Fe de Bogota jail.

Also seized in the operation were two tons of cocaine, 180 automobiles, 70 weapons, 120 mobile telephones, 200 beepers, and important documents on bank accounts belonging to the drug trafficking gang that operates in the northern region of the Valle del Cauca Department.

The antidrug operation, in which 3,000 men, including members of the military and elite branch police and 10 helicopters, took part was centered in 16 cities and municipalities located in the departments of Valle del Cauca, Caldas, and Antioquia, in the country's southeast, midwest, and northeast, respectively.

According to an initial evaluation by the leader of the elite group, Colonel Luis Gabriel Nunez, provided by government information services, the action was aimed at hammering the structures of alleged drug traffickers Justo Pastor Perafan, Arcangel Henao Montoya "El Mocho," Hernando Gomez "Rasguno," Nelson Urrego, and Jose Alcides Loaiza Montoya.

Several clandestine landing strips operating in the village of Anserma (mid-Colombia) were also destroyed.

Nunez recalled that in another operation, conducted in Medellin (northeast) on 25 April and called "Orchid," elite forces arrested three members of an international network of drug traffickers led by Helmer "Pacho" Herrera, the only Cali cartel leader out of seven who is still at large.

Those arrested are Julio Alberto Trujillo Mejia, Gustavo Alonso Gomez Escobar, and Sergio Sierra Tobon.

Colombia: Alleged Trafficker on Persecution by Authorities

PA2604224496 Santa Fe de Bogota Emisoras Caracol Network in Spanish 2340 GMT 24 Apr 96

[From "The Latest News" newscast]

[FBIS Translated Text] Santa Fe de Bogota — Justo Pastor Pedafan, fugitive and reported drug trafficker, today said he is the victim of a plot by government agents, who were unable to extort 300 million pesos from him. He also said that, in that in the four years in which he has been subjected to police persecution, he has not been involved in a single illegal operation.

In a lengthy document he sent to this station from an undisclosed location, Pedafan said both intelligence and counternarcotics agents, as well as DAS [Administrative

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Department of Security] director Ramiro Bejarano and Prosecutor General Alfonso Valdivieso, have let themselves be used by the wicked craftiness of those responsible for this merciless persecution.

Pedafan said that someone known as Ricardo Chavez, a member of a state security organization, (?succeeded) in portraying him as a drug trafficker, having politicians reject him, and having the sector opposing the leaders with whom he has been associated pressured to worsen his legal status daily.

Pedafan further said that his relations with Comptroller General David Turbay are just like the official described it in his statement. Pedafan wrote a personal check to pay for a painting.

Pedafan said the Chamber of Representatives decorated him at the request of the Chamber's public relations chief because Pedafan had helped solve the serious problem of joblessness by advising several enterprises, which are currently on the verge of bankruptcy as a result of the persecution unleashed against him.

Paraguay

Paraguay: 'Sources': Finance Minister Submits Resignation

PY2904012796 Asuncion ABC COLOR in Spanish 27 Apr 96 p 9

[FBIS Translated Excerpt] Reliable sources linked to the economic team have reported that recently designated Finance Minister Raul Cubas Grau yesterday submitted his resignation to President Juan Carlos Wasmosy. Cubas Grau submitted his resignation during the morning. The reasons for his resignation are officially still not known. It was reported, however, that the president has still not accepted Cubas Grau's resignation, and that he will make a decision on 29 April. [passage omitted]

Paraguay: Facetti Appointed as New Finance Minister

PY2904132396 Asuncion Radio Nanduti in Spanish 1305 GMT 29 Apr 96

[Report by Victor Roman]

[FBIS Translated Text] It has been confirmed that Engineer Carlos Alberto Facetti, currently public works and communications minister, has been named as the new finance minister.

[National Housing Council President] Gustavo Pedrozo will take over the portfolio of public works and communication. They will be installed at 1100.

Paraguay: Factions Vying for Colorado Leadership Viewed

PY2704030196 Asuncion Cerro Cora Sistema Nacional de Television Network in Spanish 2350 GMT 26 Apr 96

[FBIS Translated Text] In view of our viewers' preferences, there will be ample television coverage of the ANR [National Republican Association-Colorado Party] elections, which have been postponed so many times, but which now will seemingly become a reality on 28 April, according to what Silvia Carballo tells us.

[Begin relay] [Carballo] Now that all the legal obstacles have been surmounted, and following the political and military crisis that has shaken our country, the card-carrying members of the ANR are preparing to go to the polls on Sunday — 900,772 party members are eligible to vote at 4,501 polling stations throughout the entire country. At the polls, the Colorado Party affiliates will elect the president and members of the Executive Board, as well as presidents and members of the executive committees and convention delegates of Colorado Party precincts.

A total of 37,149 candidates have registered for the elections. There are four candidates vying for the presidency of the ANR; namely, Luis Maria Argana, from the Colorado Reconciliation Movement, List No. 2; [Vice President] Angel Roberto Seifart, from the United Colorado Party faction, List No. 3; Atilio R. Fernandez, from the United Colorado Force, List No. 4; and Blas N. Riquelme, from the Democratic Colorado Party faction, List No. 5.

The candidates who have a better chance of winning the election are the adversaries Argana and Seifart, followed by the pro-[former Army Commander General Lino Cesar] Oviedo Riquelme and the pro-Militant Movement [which unconditionally supported former dictator Alfredo Stroessner] Fernandez.

Argana is contesting the election on a pro-Stroessner and anti-presidential platform, whereas Seifart advocates economic opening and supports the ruling party. Riquelme has lost face because of his endorsement of the now retired Gen. Oviedo. Fernandez, for his part, has from the start had only a faint chance of winning the elections.

Following all the problems that delayed the Colorado Party elections for approximately a year, party members will at last vote. It is expected that the elections will proceed without any problems or incidents. [end relay]

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Paraguay: Police Head on Fundamentalist Groups' Presence

PY2904012596 Asuncion ABC COLOR in Spanish 27 Apr 96 p 21

[FBIS Translated Excerpt] National Police General Superintendent Mario Sapriza Nunes has admitted that Arab fundamentalist groups could be installed in Ciudad del Este and other cities in the tri-border area. His remarks were recorded after a ceremony at the Firefighters Group to inaugurate two new fire trucks.

"It is probable. The intelligence work has been going on for a long time. There are cells of Arab fundamentalists in Ciudad del Este, Foz do Iguacu, and Puerto Iguazu. Therefore, there is a theory that they could be operating in the area," the National Police chief said.

Sapriza made these remarks when admitting the possibility that General Superintendent Jose Werner Arnhart — Misiones, Argentina chief of police — might have reliable information when he said that 20 Hizballah suicide commandos have settled in Ciudad del Este after fleeing from Lebanon. "We have Arabs in Cuidad del Este identified, but not as guerrillas or members of Hizballah or Hamas, which at this moment is a much more dangerous group. In any case, we are in contact with the Argentine police and Brazilian police intelligence services." "We are on the alert; we know that the situation in the Middle East is difficult."

"They said they would attack Israeli interests at any moment. May God not permit these attacks in Paraguay, in this part of the continent, or any place in the world," Sapriza said. The Misiones, Argentina police chief said the terrorists were detected by the Brazilian and Argentine intelligence services, adding that they started arriving following the operation "Grapes of Wrath" that Israel launched in southern Lebanon weeks ago. Police Superintendent Werner Arnhart said the commandos belong to Hizballah.

It is feared that the terrorists are waiting for orders to launch suicide attacks against Israeli objectives in countries in the region. [passage omitted]

Paraguay: Exit Poll Gives Argana 51.8 Percent of Vote

PY2804223396 Asuncion Radio Nanduti in Spanish 2208 GMT 28 Apr 96

[FBIS Translated Text] [Begin relay; Radio Nanduti owner Humberto Rubin] Yes, Walter [Radio Cardinal reporter involved in exit polls], I am listening to you.

[Walter] I can tell you the exit polls for our capital, Asuncion: Ticket No. 2 [Luis Maria Argana], 51.8 percent; ticket No. 3 [Angel Roberto Seifart], 36.12 percent; ticket No. 4 [Atilio R. Fernandez], 1.42 percent; and ticket No. 5 [Blas N. Riquelme], 10.65 percent. [end relay]

Paraguay: Unofficial Electoral Results Show Argana Ahead

PY2904023996 Lambare Paraguay Radio Cardinal in Spanish 0140 GMT 28 Apr 96

[Report by Luz Ferreira from Colorado Party electoral court — live]

[FBIS Translated Text] [Ferreira] I am here with Marciano Torales, the representative of the Colorado Reconciliation Movement headed by Luis Maria Argana, at the electoral court. He was meeting with other officials at the party headquarters Administrative Secretariat, on the second floor of this building. Were you receiving official reports?

[Torales] The computing center is on that floor. Representatives of all movements, members of the secretariat, and some party electoral court officials are there right now. We are receiving figures from different voting stations. Those figures are being processed at this time. We think we will be able to have a solid projection in one hour to one and a half hour from now. The electoral court wants to have a projection that is firm enough in order to be able to announce a winner.

[Ferreira] What percentages are you dealing with from the information you are receiving from around the country?

[Torales] At this time the figures show Luis Maria Argana leading with 50 percent of the votes. Second is Angel Roberto Seifart with 42 percent. This is what we have at this time. This result is in accordance with what we have processed thus far. Other results are being processed right now. We think that in one hour to one hour and a half we will already have a firm projection. Then the party electoral court will announce the winner.

[Ferreira] With official figures?

[Torales] With figures that are practically official. The results are in fact unofficial results, but they will become official as soon as the court can confirm them.

[Ferreira] Thank you, Marciano Torales.

Paraguay: Party Elections Developing Without Incident

PY2804212596 Asuncion Cerro Cora Sistema Nacional de Television Network in Spanish 1945 GMT 28 Apr 96

[FBIS Translated Text] Voters in the neighborhood of San Paulo, in the jurisdiction of Colorado Party precinct

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24, were divided in three groups. One group is expected to vote at the Herminio Gimenez School, which has 20 voting stations; the second group will vote at the San Paulo Parochial School, which has 12 voting stations; and a third group will vote at the Pablo Avila High School, which has 20 voting stations.

We estimate that 40 percent of the more than 10,000 voters in this district had already voted by 1330. The schools where people are casting their ballots in this district have the largest number of voters per school, but just as in all other places, there were no important incidents tarnishing the event.

The actual voting started late due to the lack of furniture, stationery, and other materials, as happened at the San Paulo School, for example, which forced authorities to look for or rent chairs and tables. At San Paulo School the actual voting started around 0900.

At the Virgen de Nazareth High School, in the jurisdiction of the Colorado Party precinct 37, nearly 40 percent of the approximately 2,400 voters registered had already voted by 1400. This school has 12 voting stations with 80 voters per station.

In a tour of Colegio Nacional de la Capital, we observed that 80 persons had already voted at each of the seven voting stations set up here, which is equivalent to 40 percent of the total.

Most complaints being heard refer to individuals whose names did not appear on the registry. We did not observe any problems difficult to overcome. Apparently the events of the past week and the heavy rains of the past two days calmed people's spirits down. For many people, we are finally becoming civilized.

Paraguay: Elections Proceeding Normally Near Closing Time

PY2804214196 Asuncion RPC Television Network in Spanish 2040 GMT 28 Apr 96

[Report by Anchorman Oscar Acosta]

[FBIS Translated Text] Ladies and gentlemen, good afternoon. One hour and 20 minutes remain before election closing time in this intense electoral day for Colorado Party members. Voters are electing one executive board president; 71 executive board members; party convention delegates; and Colorado Party precinct presidents for the capital, central zone, and the entire country.

So far only three voting stations have suspended the electoral process in their areas. These places are Jose Fassardi, Jose Falcon, and Nacunday. In some places, at this hour, there is a shortage of voting tickets. Electoral court officials authorized the use of photocopies, which will be authenticated with the signature of voting station officials. The authorization was granted by the Colorado Party Electoral Court, which is presided over by Pedro Hugo Pena.

I repeat, there is still 1 hour and 20 minutes before the closing time of this election throughout the entire national territory.

Paraguay: Poll Shows Argana Winning With 53 Percent

PY2804221696 Lambare Paraguay Radio Cardinal in Spanish 2156 GMT 28 Apr 96

[Report by Carlos Baez to Mina Feliciangelis at Cardinal]

[FBIS Translated Text] [Begin recording] [Feliciangelis] Hello, go ahead, Carlos Baez.

[Baez] Luis Maria Argana won the election. He obtained 53 percent. This is the result of Cardinal's exit poll.

Luis Maria Argana obtained 53 percent;

Angel Roberto Seifart obtained 35 percent;

Blas N. Riquelme obtained 10 percent;

Atilio R. Fernandez obtained 1 percent.

I repeat, according to Cardinal and the RPC Television Network exit poll, Argana obtained 53 percent, Seifart 35 percent, Blas N. Riquelme 10 percent, and Atilio R. Fernandez 1 percent.

[Mina Feliciangelis] Good, very good. The trend is then confirmed. It is the same trend we had at 1000. The first results we obtained at that hour indicated this trend. It is official, then.

Paraguay: 'Latest' Vote Count Shows Argana Leading

PY2904135496 Asuncion Radio Nanduti in Spanish 1325 GMT 29 Apr 96

[Report from Colorado Party Electoral Board]

[FBIS Translated Text] We have here the latest vote count released by members of the Colorado Party Electoral Board on the tally of votes at 1,707 polling stations of 117 party precincts.

Here are the results of the votes cast for the presidency of the Colorado Party Executive Board:

List No. 2, led by Luis Maria Argana, polled 105,825 votes (55 percent);

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[List No. 3, led by Angel Roberto] Seifart received 66,087 votes (34 percent);

[List No. 5, led by] Atilio R. Fernandez obtained 1,555 votes (0.81 percent);

[List No. 4, led by] Blas N. Riquelme polled 1,522 votes (7.91 percent) [sentence as heard].

Paraguay: Outcome of Institutional Crisis Assessed

PY2704014396 Asuncion ULTIMA HORA in Spanish 26 Apr 96 p 20

[Editorial: "On the Path Toward the Country We All Want"]

[FBIS Translated Text] How can one describe the pervading sense of joy that enveloped Paraguay following the announcement that General Lino Cesar Oviedo, retired, would not be named as defense minister, after all? The tremendous effort made by youngsters, the media, congressmen, representatives from diplomatic missions, political party leaders (members of the National Encounter Alliance, Colorado Party, and Authentic Radical Liberal Party), trade unions, and the public in general reaped their reward, which they richly deserved. It was a great relief to have recovered dignity, and to be able to feel proud of being Paraguayan before the entire world and our own conscience.

Perhaps we had not realized how low our self-esteem was — standing aghast at the possibility that a seditious military man could be rewarded with a high-ranking administrative position. It was not possible. It was inconceivable, and yet, it was looming large, like black clouds presaging torrential rains, which darkened a future pregnant with storms of ignominy. This notwithstanding, at the very end, at the last minute of those fateful times, emerged the drive of students, of youngsters, who for the first time ever in these difficult years of transition to democracy, took on a key role, such as the one they played in times of old in their struggle against the dictatorship of [General Alfredo] Stroessner.

Those youngsters set the example and gave an orientation to the country of their elders.

Thanks to the enthusiasm of the youth, little by little, good sense prevailed. The banana republic that dragged our name through the mire lifted itself once again. The session held by both the upper and lower chambers, the clear and forceful declaration they issued stating that no concessions would be made to the seditious general, the action instituted to punish the crime committed by Oviedo, and the constancy of the media in defending a position that upholds principles, enabled us to recover the name of the Republic with a capital R.

One of the most serious obstacles to the consolidation of democracy in Paraguay has been overcome. The insistent politicization of the Armed Forces promoted by the now retired general marred the transparency of the Colorado Party elections in 1992 and of the general elections in 1993. As long as that ideology was prevalent, it was impossible to think about having a competitive political framework in which all political parties will have equal opportunities or about absolute respect for the decision of the sovereign people.

The way ahead has been cleared so that the best may win. From now on, the person who rules our country will be the one who is able to convince the public rather than the one who is able to vanquish others.

What is more important still is that the felicitous reconsideration of the decision to name the rebellious military man as defense minister symbolically recovers the notion of justice. Our institutions have been corroded by the lack of credibility and confidence. Skepticism and cynicism have become entrenched in the view we, Paraguayans, have of the world and of life. All this is simply due to the fact that the public does not see that figures in public life do not live up to ethical principles. It seems that the most widely known watchword in our damaged civic conscience is that to do justice is a divine prerogative and that earthly powers are thus excluded. Nevertheless, we cannot put off the subject of justice and limit it to an ideal existence in the abode of the gods. Justice must result from the actions of the men and women of this country. Here and now. That is the country in which we want to live.

Paraguay: Wasmosy Said To Avoid Bloodshed at All Costs

PY2604222196 Asuncion NOTICIAS in Spanish 26 Apr 96 p 16

[FBIS Translated Text] Defense Minister Hugo Estigarribia Elizeche has explained some of the things that went on backstage in the negotiations held in the face of the threat of a coup d'etat. The defense minister asserted that President [Juan Carlos] Wasmosy's overriding concern was the people. Estigarribia went on to say that this was one of the reasons why the president decided to negotiate with [former Army Commander General Lino Cesar] Oviedo his departure so as to stave off the shedding of much blood involving thousands of innocent people. Estigarribia reported that the head of state asked him to surrender his position of defense minister for the sake of finding a solution to the crisis.

The minister said: "It is possible to assert that at that time, the threat of the announced attack was real and that the forces loyal to our government were ready to

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repel such an attack. Consequently, it would have been a bloodbath, a scene of carnage."

Estigarribia further stated that the head of state asked him to surrender his position for the sake of retiring Gen. Oviedo. According to the minister, this request was made at Mburuvicha Roga [the presidential residence] on the afternoon of 23 April in the presence of cabinet ministers and the diplomatic corps accredited to Paraguay.

The defense minister added: "The president asked me to leave and I told him that he could relieve me of my post as defense minister at that very moment. Nevertheless, I told him: Mr. President, you are entitled to do so, but permit me to tell you that I honestly think that you ought not to do it." Estigarribia declared that several persons brought pressure to bear on the head of state to relieve Estigarribia of his post as defense minister. "I cannot say who it was, but there were people who convinced Wasmosy that he had to remove me from office; still, we held talks and finally reached agreement on several points," he added.

Changing the subject, Estigarribia asserted that the commander in chief of the Armed Forces [Wasmosy] can now say that he can count on the absolute loyalty of his subordinates. "I would like to tell you that at present, all the officers of the Armed Forces fully support the president and to that effect I would like to add that [newly appointed Army Commander] General Rodrigo Diaz Delmas is a man who believes in the institutions and who will know how to lead the Army along the right path." In reply to a question about rumors that several ministers would resign due to Oviedo's possible nomination as defense minister, Estigarribia said he did not want to disclose their names because this is ancient history now.

Paraguay: Wasmosy Asks Military To End 'Coupist Mentality'

PY2604192296 Asuncion NOTICIAS in Spanish 26 Apr 96 p 16

[FBIS Translated Text] During a meeting with top military commanders on 25 April, the first meeting since the crisis, Engineer Juan Carlos Wasmosy asked the officers to end their coupist mentality and respect the "legitimate" civil authorities. He said on-duty military personnel will continue their normal activities, and that none of the events that occurred will affect unit commanders.

At the Armed Forces headquarters, the president met with the commander of forces and corps, chiefs of staff, division and regiment commanders, members of the Joint Staff, and top commanders. The president reported on the performance of the commander in chief during the crisis and rebellion led by former Army Commander Lino Cesar Oviedo. The president told the commanders that the attitude of one of the generals did not contribute to the process of institutionalization and professionalization of the Armed Forces. He said this behavior only served to jeopardize democracy.

Wasmosy asked them to end the coupist mentality among on-duty personnel, adding that this arrogant attitude only serves to make people fear those who dress in military uniform. The president told his subordinates: "We must definitively end this idea and the possibility of a coup against the legitimate authorities." He added: "A coup would contradict the expectations that the Armed Forces themselves proclaimed on 2 and 3 February 1989, unless it seeks to defend democracy."

He added: "Today we should also definitively erase from the minds of our fellow countrymen the fear of the Armed Forces, making them believe — on the contrary — that the Armed Forces protect them." Information released at the Armed Forces headquarters states that Wasmosy lamented the attitude of several officers, although he said he did not blame them. "You fulfilled your constitutional duties," he told the officers.

It was reported that the president said the incidents will not affect the organization of on-duty personnel and that the process of restructuring of the Armed Forces will take place with absolute normalcy, within the deadlines and terms established by the law and military regulations.

It was noted, however, that the pre-trial proceedings conducted by courts of law will continue with absolute independence. No information was released on the decision the military courts will make. Despite formal rules, the president arrived at the Armed Forces headquarters in a private car. This type of meeting usually takes place on Wednesdays. The crisis, which lasted more than 48 hours, did not allow the normal development of military activities.

During their meeting, Wasmosy asked the generals and commanders of the branches for their support, urging them to cooperate with the professionalization and institutionalization of the Armed Forces. He said: "I ask you to help us to achieve full institutionalization and professionalization, so that you and all Paraguayans may soon be proud of our Armed Forces."

The president added: "Your behavior during the crisis, which led to the resolution of the conflict, provides us with inspiration for consolidating the change of mentality — which had its test of fire on this occasion."

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The meeting was not attended by Air Force Commander in Chief Cesar Cramer. He arrived after the meeting was over and after the president had left.

Paraguay: Reaction to Presidential Message Viewed

PY2604160696 Asuncion NOTICIAS in Spanish 26 Apr 96 p 12

[FBIS Translated Text] After four days of intense struggle to defend the process of transition to democracy, with appeals to President Juan Carlos Wasmosy to not make the great mistake of rewarding [retired Army Commander General] Lino Cesar Oviedo's attitude by appointing him defense minister, victory came finally yesterday. It came when the president made the awaited announcement not to appoint Oviedo, which prompted the entire population to come out onto the streets to celebrate the people's victory with flags, pots and pans, and car horns.

Youngsters concentrated outside Congress and Government House as of 22 April. They received President Wasmosy's message that he was not appointing Oviedo in deference to the people's mandate with songs and even tears. Then crowd of youngsters returned to the square in front of the Congress to continue their civic celebration, the first in our country for many years.

Politicians, legislators, union leaders, workers, teachers, and representatives of different social groups came to the square to thank the youngsters and recognize that this time the Paraguayan youth put their body and soul on the line, finally tilting — when few hopes remained — the balance toward the institutionalization of the Republic.

The situation of tension and anxiety we endured over the past few hours finally united the entire people, without distinction of political ideologies or beliefs, to show that when there is the will to reach a common objective the government must answer to the people and it is the people who must decide.

National Encounter Party Deputy Luis Alberto Mauro, who could not hide his emotion over President Wasmosy's decision to finally put the designation of retired General Lino Cesar Oviedo aside and not appoint him defense minister, said: "The old country has died."

The legislator added: "This country of confrontation, hate among Paraguayans, contraband, corruption, and impunity died today. The country being born is the country we see here. This is a demonstration of civility of a country that has finally awoken from the long lethargy to which it was subjected by the dictatorship."

Mauro said he was sure President Wasmosy was ready to appoint Gen. Oviedo as defense minister, but he reviewed his decision because of the "pressure" of the people's demonstrations. Mauro said: "We have not seen a demonstration like this in perhaps 30 years. Wasmosy was also aware of the possibility of a political trial if he appointed an insurgent general as minister."

He added: "The birth of a new country was not made possible by the government or by us politicians, but by the youth and the Paraguayan people who expressed themselves and have come to offer their lives, if necessary, to achieve this victory."

The legislator said the country that is being born is weak and must get consolidated. He said the people should not be demobilized, the demonstrations must continue to strengthen this new institutionalized country, which is a country of decency, "and of Paraguayans who will coexist peacefully, despite our internal conflict."

Paraguay: Wasmosy Explains Mediation, Talks During Crisis

PY2604170396 Asuncion Cerro Cora Sistema Nacional de Television Network in Spanish 1530 GMT 26 Apr 96

[Address by President Juan Carlos Wasmosy to reporters, from his office at Government House — live, in progress]

[FBIS Translated Text] ...to certain people things that are not true. I want to tell you, I will make an exception here, that I called Domingo Laino from the presidential residence on the night of 22 April, at the request of a group of ambassadors.

[Congress President] Senator Rafael Casabianca — with dignity — he told me that he received an offer from General Lino Cesar Oviedo to bring him my resignation, and that Casabianca would be sworn in as president at 0800, following the chain of succession established in the Constitution.

I told him I was aware of the cavalry's firepower and the firepower of the Air Force and the Navy, and that I did not want the responsibility for any shedding of blood. I told him I would wait here. Let him come, I said, and I gave orders not to fire a single shot in my defense. Let them come to take me, I said, because I was ready to go in order to avoid the shedding of blood.

They also said that Senator Rodrigo Campos Cervera was going to be the vice president. For this reason the ambassadors asked me to call Laino. I called him. Laino knew absolutely nothing. I asked him if he could go to mediate. He said he would go if Congress President Rafael Casabianca joined him. That is how it happened. Ambassador Robert Service then spoke with Laino.

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I make this clarification in order to prevent the tarnishing of the names of people involved in this process. It all was in order to mediate and try to find a solution without the shedding of blood. I think we must applaud this civic and political conscience. I honestly tell you that this is the way it happened.

Later, when they returned to bring me an answer, the American ambassador took me to the embassy, even though I wanted to stay at the residence. He said: Sir, here is the entire diplomatic corps — present were the apostolic Nuncio and some 14 ambassadors — and almost without realizing I boarded a van and we left. I make this clarification so that the truth can be known in order to prevent the distortion of events or the attribution of blame or crime.

I repeat, Senator Casabianca with a lot of dignity — he was also very frightened — also wanted to prevent the shedding of blood. He said if I resigned he would make the sacrifice, but if I did not he would remain firm in defense of the institutional system. Laino did not have anything to do with it. I called him. Laino then spoke with the U.S. ambassador and I think also with the Brazilian ambassador. They went together. I make this clarification to avoid future misunderstandings. Thank you.

Paraguay: Criminal Judge To Investigate Oviedo's Actions

PY2704025696 Asuncion Red Nacional de Television in Spanish 0000 GMT 27 Apr 96

[FBIS Translated Text] Domingo Laino [president of the Authentic Radical Liberal Party], one of the main leaders of the opposition, has been summoned by the court in the case of Lino Oviedo, who is being investigated on charges of sedition and rebellion.

[Begin recording] [Unidentified reporter] The rebel General Lino Cesar Oviedo, retired, is under investigation by the court. Criminal Judge Alcides Corbetta has taken several steps, isn't it so, sir?

[Corbetta] As part of an inquiry that I ordered on my own initiative, I have taken several steps, such as asking the president of the nation, the Chamber of Deputies, the Senate, and Dr. Hugo Elizeche [Defense Minister Hugo Estigarribia Elizeche] to report on recent, well-known events. I have also summoned, although I have yet to set the date, Dr. Domingo Laino, who apparently can contribute some information.

In sum, I have taken all the necessary steps that will allow me to issue a fair and well-documented ruling.

[Reporter] Will that mean summoning Gen. Oviedo to testify, or taking some other action against him?

[Corbetta] The inquiry will show whether Gen. Oviedo should be indicted. I cannot tell you at this point what will happen; I cannot tell you whether he will be indicted or not. The inquiry could show that there are other people involved in the events besides Gen. Oviedo.

[Reporter] Thank you very much. It should be pointed out that Criminal Judge Alcides Corbetta acted on his own initiative in this case and ordered an iquiry. He also has two formal charges against the controversial military man filed by the prosecutor general.

Paraguay: PLRA's Laino Rebuts Criticism of Role in Crisis

PY2704021696 Asuncion Red Nacional de Television in Spanish 0000 GMT 27 Apr 96

[FBIS Translated Text] Domingo Laino, president of the Authentic Radical Liberal Party, PLRA, refuted criticisms, and called for an in-depth investigation so as to severely punish the people responsible for the terrible anxiety the country had to live through.

The PLRA leader — criticized by a variety of sectors for the role he played in the government crisis by conveying General Lino Oviedo's message that the president and the vice president of the nation should resign — explained that he had responded to President Wasmosy's request for help because he wanted to avoid bloodshed.

Laino added that there should be an in-depth investigation to find and jail those responsible for the recent incident, which had kept the people on tenterhooks. Although he did not say so directly, Laino hinted that the president fell into the trap set by none other than his business partner Ramon Gimenez Gaona.

[Begin Laino recording] After rejecting his [Oviedo's] proposal — and I hope that one day the general will tell what happened that night — we asked him to come up with another option to resolve the crisis.

After I read out to him my party's communique supporting the nation's constitutional order, I asked him to withdraw his request for the resignation of the president and the vice president.

Military officers took us to Gen. Oviedo's office — I assume that it was his office because it had his picture and a lot of certificates on the walls — and there was a person whom I did not know, but was later told was businessman Gimenez Gaona. [end recording]

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Paraguay: Presence of Hizballah Suicide Figures Reported

PY2604134696 Lambare Paraguay Radio Cardinal in Spanish 2250 GMT 25 Apr 96

[Report by correspondent Raul Cortese from Posadas, Argentina]

[FBIS Translated Text] Good afternoon. The EL TERRITORIO newspaper, which is widely read in the city of Posadas, reported on 25 April that Superintendent General Jose Werner, chief of police of Misiones Province, confirmed some information about the presence of about 20 Hizballah suicide commandos in Ciudad del Este, Paraguay.

Werner denied that the issue was brought up at the recent meeting of Codesul [expansion unknown]. The terrorists were detected some weeks ago when Israel launched its Operation "Grapes of Wrath" in southern Lebanon. The newspaper claims the commandos are about to complete their training in the tri-border area where there is a large Arab community. Because of this situation control has been stepped up on the Argentine side of the Encarnacion-Posadas bridge.

We asked Inspector Paulino Rojas, head of the immigrations department at Encarnacion, Paraguay, about the actions taken by the Paraguayan police.

[Begin Rojas recording] Hardly any Arab citizens have been crossing the Roque Gonzalez de Santa Cruz bridge to Argentina. None at all, in fact. To do so they would have to have all their papers in orders, visas and everything. [end recording]

The head of the immigrations department has said the Paraguayan police have neither detained nor observed any Arab citizens crossing the bridge.

Peru

Peru: Tudela Rules Out Concessions to Ecuador

PY2804232996 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2116 GMT 28 Apr 96

[FBIS Translated Text] Lima, 28 Apr (AFP-NA) — In an interview published in the Lima newspaper EXPRESO today, Peruvian Foreign Minister Francisco Tudela ruled out the possibility of territorial concessions to Ecuador as a solution to old border disagreements.

Tudela made this remark in response to unconfirmed reports that the United States, through U.S. diplomat Luigi Einaudi, had allegedly suggested to Peru the alternative of territorial concessions to find a political solution to the Peruvian-Ecuadoran problem.

The foreign minister told the Lima newspaper: "We must clearly point out that we have not received any proposal in this regard and that, should we receive this type of proposal, we immediately would reject it categorically."

Peru and Ecuador waged an undeclared war in early 1995 in a common Amazon region border area that has not been demarcated. These two countries are involved in a detente process, through diplomatic talks, in keeping with the Itamaraty Peace Declaration that they signed and that ended the conflict.

Concerning the demilitarized zone, established in the border zone where the armed clashes occurred, Tudela indicated: "Obviously, it is necessary to point out that the demilitarized zone will not last forever, and that it will be necessary to seek formulas well in advance to find ways of settling the situation in that zone."

The demilitarized zone is under the supervision of military observers from Argentina, Brazil, Chile, and the United States, the guarantor countries of the Rio de Janeiro Peace, Friendship, and Border Agreement, signed by Ecuador and Peru in 1942. This agreement established the borders between the two countries.

The observers have extended their duties until June, "and we shall see if the political context improves in June," the Peruvian foreign minister said.

Peru: Arms Agreement With Ecuador Questioned

PY2904003896 Lima LA REPUBLICA in Spanish 23 Apr 96 p 14

[Article by Angel Paez of the Research Unit]

[FBIS Translated Text] Sources of the Peruvian Armed Forces Joint Command have said that a bilateral agreement with Ecuador on the reduction or cut in the purchase of war materiel will affect national defense because Peru has not modernized its equipment in the last 15 years.

In contrast, during the same period Ecuador has appropriated large sums of money for renewing its war materiel with high technology, and this superiority was seen during the recent military conflict in the upper Cenepa River region.

The analysts of the Armed Forces Joint Command admitted that the Peruvian Armed Forces bought some military materiel. They said, however, that it was a minor purchase in comparison with the Ecuadoran purchase. They added that the Peruvian purchase was made with a great economic effort on the part of the administration of President Alberto Fujimori, in contrast

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to the substantial cuts made by the administrations of Fernando Belaunde Terry and Alan Garcia Perez.

A high official of the Armed Forces Joint Command who asked to remain anonymous said: "Most of the resources appropriated to the Armed Forces in the last 15 years were spent on parts, maintenance, and supplies." He added: "Very little has been purchased, and I am referring to new materiel."

Even the important purchases such as the fleet of the Mirage 2000's suffered cuts: The airplanes had only one gun and they also lacked the necessary equipment for the fighters to gain control over the enemy.

A high source of the Peruvian Air Force said: "The Mirage 2000 is a high technology combat plane, but the ones that arrived were a prototype, or just to show off because they did not have all their equipment."

According to a source of the Armed Forces Joint Command, in the last 10 years Ecuador spent from $10 to $15 billion to modernize its Armed Forces; $600 to $800 million was spent annually from the oil royalties granted to the Ecuadoran military institutions two decades ago.

The source added that Peru appropriated approximately $500 million from 1994 to 1995; $80 million was spent in the upper Cenepa River conflict and the remaining resources "were basically spent in the recovery of war materiel, supplies, and maintenance, and in prolonging the lifespan of some equipment."

LA REPUBLICA also revealed on 18, 19, and 20 April that of the $500 million spent in 1994 and 1995, $162 million was appropriated for the "Aguila Plan" to strengthen the Air Defense System and that practically all the money was used for spare parts and the maintenance of airplanes that are 20 years old.

The government purchased MI-8 and MI-17 helicopters from Nicaragua and Mobetek Representaciones, but they are second-hand helicopters and their repair and maintenance costs are much higher than their total cost.

Also, according to a note from the Russian Embassy addressed to the Peruvian Defense Ministry, there are several units of the "Pechora" and "Chilca" antiaircraft systems that must be discarded and that in two years such Russian material must be replaced because their useful life is over.

"If we take into account this information, the fact that little money has been spent in renewing the technology of war materiel, and that there is equipment that will soon become obsolete, then the agreement with Ecuador for reducing or completely suspending arms purchases will favor Ecuador because this country invested large sums of money on advanced technology materiel." This was the cold and logical evaluation of a Defense Ministry source who, for obvious reasons, wanted to remain anonymous.

He added: "It is like losing a diplomatic battle. And this could be worse than losing on the battlefield."

Officials of the Defense Ministry and the Armed Forces Joint Command said that the meeting being held in Quito to reach an agreement to consolidate the peace process will take our country by surprise because its defensive components are obsolete, while Ecuador was able to equip its forces with modern weapons, such as the Kfir fighters.

But in addition to that, the Peruvian purchases were not only fewer in number, but the arm dealers also took advantage of this opportunity to sell Peru second-hand weapons, in bad condition and without the spare parts guarantee.

The Defense Ministry source said: "The weapons purchased came from the republics of the former Soviet Union, and these republics, in order to finance their economies, sold the weapons they had possessed under the former USSR. These weapons were basically used, or had a reduced lifespan."

The source added: "There are intermediate arms dealers who became wealthy selling these weapons to various countries, Peru among them."

In August 1995, President Fujimori asked the Peruvian Air Force to propose the purchase of an Integrated Air Defense System. In March of this year, the Air Force proposed the purchase, for $762 million, of a package offered by the Peruvian W-21 Intertechnique company that included MiG-29 fighters, Sukhoy-25 airplanes, and TOR and Tunguska rocket components, all of them from Belarus.

But when LA REPUBLICA reported that the war materiel was overpriced and did not have maintenance and spare parts guarantees because Belarus does not make the airplanes or the rocket systems, and, primarily, because the arm dealers proposing the sale were the owners and executives of the firm that participated in the arms traffic from Argentina to Ecuador, President Fujimori decided to stop the operation because, as he said during his visit to Mexico, "arm traffickers are involved."

Because of the president's decision, from now on the purchase of military materiel will be made by the Economy and Finance Ministry, with the advice of military experts, and the 1996 budget for the purchase of weapons was suspended.

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LA REPUBLICA had access to the arms purchase list of the Defense Ministry, which is not listed for security reasons, for $1.46 billion ($618 for the Army, $542 for the Navy, and $200 million for the Air Force). The use of this money was suspended by the presidential decision until the reorganization of the arms purchase system concludes.

The modernization of the T-80 tanks and the double-barrel cannon systems, the purchase of corvettes and vessels equipped with missiles, and the major repair of MI-17 helicopters and Antonov-32 airplanes are still to be made because bad officers have charged or tried to charge very high "commissions" for the purchase of military equipment.

The suspension of maintenance, renewal, and purchase of military materiel occurs precisely when military representatives of Ecuador and Peru are meeting in Quito to strengthen the peace process in the border region.

"We are facing a very difficult situation," said an officer of the Armed Forces Joint Command. He added: "I don't want to be pessimistic, but an agreement will not favor us, not even to share information on arms purchases."

A source of the Defense Ministry said: "The truth is that Ecuador would obtain an important victory if Peru accepts reduction of war materiel purchases." He added: "We would continue with obsolete components, while Ecuador would have advanced technology materiel. This is certainly the bitter truth."

Venezuela

Venezuela: columbian Consul Kidnapped, Released

PA2604181296 Mexico City NOTIMEX in Spanish 1659 GMT 26 Apr 96

[FBIS Translated Text] Caracas, 26 Apr (NOTIMEX) — Eloy Quintero, Colombian consul in Venezuela, posted approximately 800 km west of the capital in Maracaibo, was kidnapped, along with his wife, in the Colombian-Venezuelan border area.

The Colombian Embassy in Venezuela has revealed that the diplomat was released by the kidnappers, but his wife, Margarita de Quintero, continues to be held hostage by Colombian rebel groups.

The incident occurred some time between Thursday night and early Friday morning in Colombian territory on a road near the city of Cucuta, which borders Venezuela.

The Colombian Embassy in Venezuela has reported that it is not aware of any new information regarding the kidnapping, because the rescue operation will be carried out directly by the Colombian police.

Venezuela: Colombia Urged To Combat Crime Along Border

PA2604172296 Caracas Venezolana de Television Network in Spanish 0230 GMT 24 Apr 96

[FBIS Translated Text] Through a diplomatic note, the Venezuelan Government will urge the Colombian Government to urgently seek effective ways to combat the criminal activities of the Colombian guerrillas along the border.

Late after midnight on Saturday, 30 National Liberation Army [ELN] members killed [words indistinct] in Tachira Department, which borders with Colombia. Milos Alcalay, deputy foreign minister and now acting foreign minister, has expressed concern over the repeated attacks perpetrated by Colombian subversives in Venezuelan territory:

[Begin Alcalay recording] This is not simply a note to discuss miscellaneous affairs but, rather, a protest note to urge the Colombian Government to help find an (?adequate) solution to this problem. [end recording]

The Foreign Ministry endorses on-the-spot persecutions a suggested by Venezuelan Defense Minister Moises Orozco Graterol:

[Begin Alcalay recording] The Defense Ministry handles security and defense matters. The Foreign Ministry is the venue for international relations; consequently, its voice is that of the Defense Ministry. [end recording]

Regarding Colombia's Constitutional Court decision not to return Venezuelan vehicles bought by Colombians in good faith, Alcalay said Venezuela is studying all the legal implications before replying to the Colombian Constitutional Court and at least expressing its position on the matter.

The Colombian Embassy in Caracas yesterday released a communique lamenting the 20 April events in which two Venezuelan National Guard members were killed and strongly condemning all criminal actions perpetrated by thugs along the border area.

The communique also announces that the Colombian Government in agreement with the Venezuelan Armed Forces has defined so-called public order zones, one of them being Norte de Santander Department, and that the respective authorities are considering the creation of additional special zones.

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Venezuela: Military 'Capable' of Defending Sovereignty

PA2704201096 Caracas EL NACIONAL in Spanish 26 Apr 96 p D3

[Report by Jesus Eduardo Brando]

[FBIS Translated Excerpt] The Armed Forces are capable of guaranteeing the country's sovereignty against the constant attacks and incursions by Colombian guerrillas and drug traffickers along our borders, high-ranking military sources have confirmed to EL NACIONAL.

This position was stated in response to Senator Humberto Celli, who has proposed that in view of the incompetence of the government and Colombian Armed Forces in repressing the narco-guerrillas along the Venezuelan border, our country should ask the OAS or the United Nations to send a multinational force to protect that area.

The top military commanders believe it is unnecessary to ask the OAS or the United Nations for a multinational force to confront the narco-guerrilla problem. "Those matters should be handled within our bilateral relations with Colombia."

U.S. Helicopters To Fight Narcoguerrillas

Meanwhile, it was learned that 22 helicopter gunships with high maneuverability will be arriving in May to support the Venezuelan Armed Forces in countering the incursions and frequent attacks by Colombian guerrillas and drug trafficking along the border.

Military sources have said various types of helicopters will be used, including the Superpuma, Cherokee, and Cobra, which will be equipped with cannons, machine guns, and missiles. The military assistance will be reinforced with the arrival of amphibian vehicles for land operations, speed boats for patrolling and river operations, and missile launchers. [passage omitted]

Package Explained to the Armed Forces

Defense Minister Moises Orozco Graterol has presented members of the government's economic and social cabinet who have explained to officers of the Federal District Garrison and Miranda State the program of macroeconomic adjustments and social compensation. During the meeting, which was held in the theater of the Military Academy, the representatives of the executive branch answered questions from the military officers.

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